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## LATE NEWS

### Fraud Suspect Back in France

PARIS (Reuters) — Yves Chalier, the chief aide to a former French Socialist minister, was imprisoned on fraud charges Sunday after returning to France from months on the run in South America, his lawyer said.

Mr. Chalier, former aide to Cooperation Minister Christian Nucci, is the main suspect in a scandal over embezzlement of public money meant for African development. He fled France last spring to escape arrest, he said, at the urging of an Interior Ministry official.

### SPECIAL TODAY

FRANCE'S GAMBLE  
The Chirac government is betting that economic reforms will pay off politically.

A special report, Pages 7-10.



Sheikh Ali Khalifa al-Sabah, Kuwait's oil minister, announcing an OPEC committee plan to raise prices, Page 13.

### GENERAL NEWS

■ India and Sri Lanka discussed the ethnic warfare in Sri Lanka. Page 6.  
■ Leftists in Brazil's coalition, once in opposition, scored in national elections. Page 11.  
■ BUSINESS/FINANCE  
■ BankAmerica announced a restructuring plan to increase the value of its stock. Page 13.  
■ SPORTS  
■ The Giants and Bears battled in the NFL. Page 19.

## Thatcher, Reagan Agree on Priorities For Arms Control

By Bernard Gwertzman  
New York Times Service  
WASHINGTON — Prime Minister Margaret Thatcher said that President Ronald Reagan has agreed not to press for the abolition of all long-range ballistic missiles in arms-control talks with the Soviet Union.

In a news conference Saturday after talking with Mr. Reagan at Camp David, Mrs. Thatcher read a statement that set out future arms-control priorities. The statement was clearly meant to ease allied concerns that the United States was rushing too quickly into far-reaching bans on nuclear forces.

Mrs. Thatcher said that Mr. Reagan had concurred with her that the priorities in negotiations with the Soviet Union should be on seeking a 50-percent cut in all strategic nuclear forces and on a sharp reduction on medium-range missiles.

The two leaders also agreed, Mrs. Thatcher said, that any major cuts in nuclear weapons should be accompanied by steps toward eliminating the Soviet advantages in nonnuclear forces.

The priorities were set out in a way that made it clear that the United States would not press for either the banning of all strategic ballistic missiles, which was proposed by Mr. Reagan in October in his talks with Mikhail S. Gorbachev in Iceland, or for an elimination of all offensive strategic forces, as sought by Mr. Gorbachev.

Mr. Reagan agreed in Iceland that the elimination of all offensive strategic forces should be a goal.

The Europeans have based their security since the end of World War II on a nuclear shield to offset the large disparity in the ground forces of the allies and the Soviet bloc.

The British and other Europeans were concerned, after the Reykjavik meeting, even about Mr. Reagan's proposal for a ban on all ballistic missiles in 10 years.

If the United States and Soviet Union agreed on this, they said, it could cause problems for Europe if the reductions were not matched by breakthroughs in a number of areas, including chemical weapons, verification and the size of conventional forces.

The British and other allies were even more concerned about the reports from Iceland indicating that Mr. Reagan had also agreed in



Demonstrators protesting the British-Irish pact take cover after coming under fire by police officers using plastic bullets.

Ridding Europe of mid-range arms would weaken NATO, its commander said, Page 2.

principle to the elimination of all offensive nuclear forces.

A Reagan administration official who briefed reporters at the White House provided the same report on the agreement between Mr. Reagan and Mrs. Thatcher.

Mrs. Thatcher said she had also received an affirmation from Mr. Reagan on U.S. willingness to help Britain modernize its nuclear-armed submarine force.

Mrs. Thatcher met with Mr. Reagan alone for one hour at Camp David, the presidential retreat in the Crotchet Mountains in

— See ARMS, Page 11

## Irish Rally Ends in Violence

### Belfast Protests Of Ulster Pact Leave 2 Dead

By Tyler Marshall  
Los Angeles Times Service  
BELFAST — One of the largest protest rallies ever held in Northern Ireland broke up in disarray over the weekend as elements of a massive Protestant crowd looted stores in the city center and fought running battles with police.

At least 25 persons were wounded Saturday as policemen equipped with bulletproof vests and riot shields fired plastic bullets into the fringes of the crowd.

Scattered incidents of violence were reported in Protestant neighborhoods elsewhere in the city as bands of youths roamed the streets amid a heavy police presence.

In earlier clashes between the police and Protestants late Friday and early Saturday, one youth was killed after being hit by a police vehicle and four officers were wounded in another confrontation. Three officers suffered burns from acid thrown in their faces.

[On Saturday night an elderly Catholic woman died in Carrickfergus after her home was attacked, Reuters reported Sunday. A police spokesman said that, apart from the two deaths, 44 police officers and 27 civilians had been wounded all over the province.]

Well over 100,000 Protestants had pushed into a square in front of the Belfast City Hall and spilled into surrounding streets to voice their opposition to a political agreement signed by the Irish and British governments exactly one year ago to bring stability to the troubled province.

The accord, which provides the Irish Republic with a consultative role in the British-ruled province, has been consistently opposed by the majority Protestant population, which views it as the first step toward Northern Ireland's absorption into a united, Catholic Ireland.

The accord is designed to end nearly four centuries of Protestant domination of Ireland's six northern counties by giving Catholics a share of political power.

Rally organizers and leading Protestant politicians who addressed the crowd had called for a peaceful protest, but violence began almost immediately.

As the crowd sang the words to the 21st Psalm at the outset of the rally, hooded youths near the edges of the gathering, believed to be part of a Protestant paramilitary group, began hurling stones at store windows in central Belfast.

By the time the Reverend Jan Paisley, a leading Protestant hardliner, rose to speak half an hour later, the police had fired several plastic bullets into the crowd.

For more than an hour after the rally broke up, leaders of the Protestant establishment, some dressed in bowler hats and orange sashes and at least one in the ceremonial red robe of an elected city councilor, tried to halt the looting by forming lines in front of the stores.

Mr. Paisley later dismissed the violence as "very slight trouble that means nothing."

"This is small compared to what will happen if this agreement is not scrapped," he said. "The streets is the only place left, alas, where the people of Ulster can say 'No.'"

## Islamic Jihad Demands 'Wider Steps' on Captives

By Ihsan A. Hijazi  
New York Times Service  
BEIRUT — Islamic Jihad has urged the United States to take unspecified "wider steps" to gain the freedom of hostages it is holding.

The pro-Islamic, Shiite Moslem group freed David P. Jacobson on Nov. 2 and it says it is still holding American and other Western hostages.

Islamic Jihad said Saturday that it would not move "a fraction of a fingertip" to release the remaining hostages unless its demands were met.

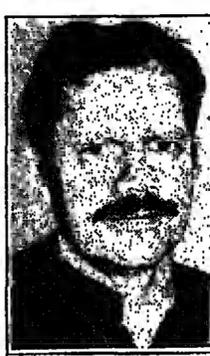
The statement said Mr. Jacobson's release had been the "result of certain overtures that, if continued, will solve the issue of the hostages."

It also said that "the American government should assume a bigger role" and offer "a more advanced step to meet our demands and solve the hostages' problem."

The statement did not spell out the nature of the overtures, nor did it mention if they involved the group directly or were a reference to the recently revealed contacts between the United States and Iran.

It has been reported that the release of three American hostages since September 1985 came after American-made military spare parts were delivered to Tehran. President Ronald Reagan has acknowledged that arms were delivered to Iran but maintains the delivery was for humanitarian purposes.

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Photograph of Terry A. Anderson, an American hostage, accompanied a statement released Saturday by the Islamic Jihad group.

## More Shipments to Iran Unnecessary, Shultz Says

By Cass Peterson  
Washington Post Service  
WASHINGTON — Secretary of State George P. Shultz said Sunday that he saw no need for further arms shipments as a way of enhancing U.S. contact with Iran but acknowledged that he may not speak for the Reagan administration on the subject.

"We gave a signal and the signal has been given and, as far as I'm concerned, I don't see any need for further signals," Mr. Shultz said on a television interview show.

Asked if he had authority to speak for the administration, he replied: "No."

Meanwhile, in an apparent effort to extend an olive branch to members of Congress, the national security affairs adviser, Vice Admiral John M. Poindexter, said the ad-

ministration was "anxious" to discuss the secret operation with congressional oversight committees.

In an appearance on another television show, Admiral Poindexter said William J. Casey, director of the Central Intelligence Agency, would lay out details Friday when the Senate Intelligence Committee planned to convene the first of what was expected to be an exhaustive series of hearings.

Admiral Poindexter said he did not intend to participate personally in the hearing but would speak informally with members of Congress.

Admiral Poindexter's offer, however, suggests that the administration wishes to avoid a confrontation on executive privilege amid the clamor for answers on the arms shipment, including why the secret operation was conducted without advance notice to Congress and in the face of opposition from Mr. Shultz and Defense Secretary Caspar W. Weinberger.

Mr. Shultz has been largely silent after disclosures that the United States delivered a plane load of weapons and spare parts to what have been described as moderate elements in Iran. His office said Friday he was "not directly involved" and was only "sporadically informed" about the operation.

Mr. Shultz on Sunday characterized the arms delivery as a signal of President Ronald Reagan's desire for better relations with Iran. The value of the gesture, he said, was debatable, but "when you get elected president, that's one of the things you get the right to do, to make decisions of that kind."

Mr. Shultz referred to Mr. Reagan's statement last week that there was no intent to trade arms for hostages, and added: "I might say that all of the public discussion probably helped somewhat."

He said it "has kind of con-

— See MOSCOW, Page 6

## A Japanese Is Kidnapped Near Manila

By Seth Mydans  
New York Times Service  
MANILA — The Japanese branch director of the Mitsui Bussan trading company, one of the largest companies doing business in the Philippines, has been kidnapped near Manila, the police said.

The businessman, Nobuyuki Wakagji, 53, was seized outside a country club Saturday afternoon by five or six armed men in two cars, according to a security guard at the Canlubang country club 30 miles (about 50 kilometers) south of the city.

[President Corason C. Aquino summoned military officials and some of her cabinet members to an emergency meeting on Sunday to discuss the kidnapping, Reuters reported.]

[The presidential spokesman, Teodoro Benigno, canceled a scheduled briefing on the kidnapping, saying that an important development had taken place, "the nature of which I cannot reveal."]

The identity of the kidnappers was not known. There was no immediate word of any communication from them.

The Japanese Embassy had no immediate comment.

A Japanese diplomat said privately, "This could have repercussions back home."

The kidnapping came two days after Mr. Aquino returned from a visit to Japan, where he sought to portray her government as a reliable trading partner despite an atmosphere of instability.

Philippine officials said that Japan had pledged or signed agreements for \$980 million in aid dur-

— See KIDNAP, Page 11



Eugene Hasenfus and his wife, Sally, listen to the verdict against him being read.

## Hasenfus Is Sentenced to 30 Years

By Stephen Kinzer  
New York Times Service  
MANAGUA — Eugene Hasenfus, the American air cargo specialist whose arms-laden plane was shot down over Nicaragua, has been convicted by a Nicaraguan tribunal and sentenced to 30 years in prison.

Mr. Hasenfus had admitted being part of a clandestine operation delivering weapons to anti-government forces in Nicaragua. In the verdict Saturday, the People's Tribunal said that such weapons "have been used to kill peasants and other Nicaraguan citizens."

The tribunal ordered the 30-year term after declaring Mr. Hasenfus guilty of violating a public security law that bans "actions aimed at subjecting the nation totally or partially to foreign domination, or interfering on its independence or integrity."

The tribunal added a three-year term for illicit association, but limited the sentence to a total of 30 years because that is the maximum allowed under Nicaraguan law. There was no finding on the third charge, terrorism, which carries a maximum sentence of two years.

[The White House said Saturday that Mr. Hasenfus's sentence "came as no surprise" because it

— See MANAGUA, Page 11

## Soviet Prepares to Allow Small Private Concerns

By Celestine Bohlen  
Washington Post Service  
MOSCOW — The Soviet Union is getting ready to allow limited private enterprise in the heart of state socialism, from small cooperative cafés and repair shops in the cities to family farms in the countryside.

New legislation on "individual labor" was to be reviewed Monday at a session of the Supreme Soviet or parliament. According to articles in the official press, a draft of the law provides for contracts allowing individuals to run small enterprises for profit.

Many details are still unclear and, according to Western experts, the details will determine how far Moscow is willing to experiment with a private sector.

But from official and unofficial sources, the shape of the proposed reform has begun to emerge, giving the picture of small private enterprises operating with state aid and under state control, offering services that the state now either cannot provide or provides badly.

The most vivid example comes from a proposal drafted for the creation of new eating establishments in Moscow. The Soviet capital now offers a meager choice of restaurants, most of them large and noisy, with notoriously bad service.

Under a current proposal, cooperatives would apply to the local authorities for permission to open small cafés, with credit provided by the state bank and equipment and transport provided by the state. A contract would require the cooperative to pay the state a fixed sum out of its profits.

The cooperative managers would be allowed to buy food directly either from state or collective farms or on the private market, and to set prices for prepared food, according

to sources familiar with the proposal.

Permission to open a café would have to be given within 20 days, another in a series of efforts to require a quick response from the slow-moving bureaucracy.

The Moscow café proposal is similar to an experiment already under way, described recently in the weekly Moscow News by Alexander Levikov, a leading economic journalist.

Mr. Levikov described new "citizens' cooperatives" formed for the collection and processing of secondary raw materials and production waste, "presumably materials such as leather or wood."

He said the cooperatives, made up of from five to 50 people, could apply to the local council, establish their own rules and receive "credits, rent equipment and transport."

"You pay tax and make your enterprise highly profitable," he said.

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## On Wall Street, a \$100-Million Fine Shakes the Speculators

By James Steingold  
New York Times Service  
NEW YORK — The announcement that Ivan F. Boesky, Wall Street's largest and best known speculator in takeover stocks, had admitted to illegally profiting from inside information could make it more difficult for financial entrepreneurs to take over existing control of major corporations.

A number of executives in the securities industry said there might now be fewer takeover bids by powerful speculators, or arbitrageurs, as well as less rampant speculation on which a company would be the next target of a corporate raid.

There was also widespread concern that the size of the excesses exposed could outrage the public and Congress so much that restrictive new legislation might be imposed, although key members of Congress seemed to be taking a wait-and-see approach.

Legislators, in praising the investigation by the Securities and Exchange Commission, said that it was too early to tell if the commission needed broader enforcement powers.

"The committee and I are watching this closely," said Representative John D. Dingell, Democrat of Michigan who heads the House Energy and Commerce Committee.

A spokesman for Senator William Proxmire, Democrat of Wisconsin who is likely to head the Banking Committee in the 100th Congress, said Mr. Proxmire would also be willing to explore whether the Securities and Exchange Commission needed additional enforcement tools.

Mr. Boesky, chief executive of the investment firm Ivan F. Boesky & Co., was charged with making, in one year, more than \$50 million in profits through the illegal use of company information not available to the public. The Securities and Exchange Commission announced Friday that Mr. Boesky had agreed to return the profits plus a \$50-million penalty.

"My first reaction is that this will prove all the suspicions that the public might have that Wall Street is just full of a bunch of insiders taking advantage of them," said John H. Gutfreund, the chairman of Salomon Brothers, Wall Street's largest investment bank. "You have to remember that generally we do perform an important function and we are generally decent people. I'm perturbed by the fact that we all get tainted."

The "risk arbitrage" that Mr. Boesky and more than 100 other investment partnerships and Wall Street brokerage houses practice often centers on making big bets on the likelihood of one company's stock being bought out by another in a friendly or unfriendly transaction.

The actions of the arbitrageurs, who buy up large blocks of

— See TAKEOVER, Page 6



Demonstrators Protest Pollution of Rhine  
Ecologists in Chalampé, on the French bank of the Rhine, burned an effigy marked with the name of the Swiss chemical company whose Basel warehouse caught fire Nov. 1, badly polluting the river. In Basel itself, about 200 demonstrators held a symbolic funeral for the Rhine. Page 2.

# Congress-White House Clash Possible on Dealings With Iran

By Stephen Engelberg  
New York Times Service

WASHINGTON—Members of Congress say they will demand that President Ronald Reagan's foreign policy advisers explain their dealings with Iran.

Several members of the Senate and House of Representatives said Saturday that they would challenge the Reagan administration if it tried to prevent members of the National Security Council staff from testifying before congressional committees.

The administration has previously rebuffed such requests, citing "executive privilege," the president's right to keep dealings with his personal staff private.

"The bottom line is they can't avoid oversight," said Representative Dave McCurdy, Democrat of Oklahoma, who is on the House Intelligence panel. "When the National Security Council staff steps outside its role of being an adviser

and becomes an executor of foreign policy and the transfer of arms, clearly they fall into our jurisdiction."

Both the House and the Senate Intelligence committees have scheduled hearings for Friday on the dealings with Iran.

Executive privilege is the doctrine under which the administration, like others before it, has claimed that internal deliberations do not have to be disclosed to the two other branches of government. The issue has arisen repeatedly over the years and has long been a source of conflict between Congress and presidents.

Members of Congress said they wanted a detailed accounting, from National Security Council staff members who were directly involved, of what arms were sent to Iran, both by the United States and Israel.

Mr. Reagan, in a speech Thursday evening, said the amount of

parts shipped to Iran by the United States could fit into a cargo plane that carries approximately 100 tons. But congressional officials want to know the size and type of shipments made by Israel at America's behest.

### Allies Express Anger

Judith Miller of The New York Times reported from Istanbul:

NATO legislators reacted with sorrow and anger on Saturday to disclosures that the United States had secretly sent arms to Iran and urged the allies to take a tough stand against terrorism.

"We feel horror and disgust," said Kevin McNamara, a British Labor Party member. "I am in the opposition, but most of our delegation here feels that Reagan has really let Margaret Thatcher down."

Earl de la Warr, a British Conservative, echoing his colleague's sentiment, said: "It has really hurt American credibility in the fight against terrorism."

Equally harsh words were voiced by French delegates to a session of the North Atlantic Assembly in Istanbul. The assembly provides a forum in which legislators from the 16 members of the North Atlantic Treaty Organization can discuss matters of common concern.

Francois Heisbourg, a French defense analyst, voiced disappointment in the decision to send arms to Iran.

"You—the strongest nation in the world—have permitted your foreign policy to be significantly manipulated by the Iranians," Mr. Heisbourg said. He said the American action would serve to increase

hostage-taking and reinforce extremist tendencies in Iran and other radical Middle East nations.

"When these people see what they can get by threatening the lives of a few innocent people, why shouldn't cynical states use this ploy?" he said.

West European reaction may be reflected in a resolution to be voted

Monday. The resolution, proposed by an Italian Christian Democrat, Angelo Bernasconi, asks NATO members "to commit themselves never to negotiate with terrorists, their backers or protectors." The resolution is widely viewed as directed at the United States.

Meanwhile, at a news conference in Washington on Saturday, Prime Minister Margaret Thatcher of Britain refused to be drawn into any criticism of Mr. Reagan's contacts with the Iranians.

"I'm not going to add to what the president said," she said after talks with Mr. Reagan. "He made his views absolutely clear. We have diplomatic relations with Iran and recognize its importance as a country."

She added that Britain was neutral in the Iran-Iraq war and had not sold lethal weapons to either side. "I believe implicitly in the president's total integrity on that subject," she said.

### Iraqi Denunciation

Baghdad accused Washington on Saturday of "playing a dirty game" by shipping arms to Iran, which has been at war with Iraq for six years, The Associated Press reported from Baghdad.

Baghdad radio quoted an Iraqi spokesman as saying: "Iraq profoundly regrets, even denounces, that attempts by the U.S. administration to establish relations with Iran should include supplying the Iranian regime with quantities of military supplies, whatever their volume or nature."

"Iraq, as a responsible state, does not object to any state having normal and good relations with any other state even if it is Iran, which is waging an aggressive war against us," the radio quoted the spokesman as saying, "as long as these relations do not threaten Iraq's safety, security and sovereignty and do not help prolong the war."

## WORLD BRIEFS

### Blast Hits IBM Center in Heidelberg

HEIDELBERG, West Germany (UPI)—A time bomb exploded early Sunday at a research center of International Business Machines Corp., causing at least \$1 million in damage to the building's glass facade and buildings inside, the police said. No one was hurt.

Two clerics who had received anonymous telephone warnings about 10 minutes before the bombing alerted the police. The bomb, which had been placed on an outside wall on the ground floor, exploded as the police arrived. They said they saw a vehicle, possibly a station wagon, speed away.

A letter found on the fence surrounding the IBM center claimed responsibility for a group calling itself Fighting Unit Hind Alameh. Hind Alameh was a member of the Palestinian group that hijacked a Lufthansa flight to Mogadishu, Somalia, in 1977. The passengers were freed in an assault by West German commandos.

### Israeli Raid Bases in South Lebanon

SIDON, Lebanon (Reuters)—Two Israeli planes raided three Palestinian bases near the Ain al Helwan refugee camp in southern Lebanon on Sunday, wounding four persons, the police said.

The planes strafed the bases in the Durb al-Sim area, east of Sidon, for 15 minutes, witnesses said. Black smoke billowed from the site, but there were no immediate reports on the damage. It was the 14th Israeli raid in Lebanon this year. The camp is the home of at least 30,000 Palestinian refugees.

Meanwhile, in Jerusalem on Sunday, about 200 Jews stoned Arab homes, set fire to a store and smashed car windows during the funeral procession for Elisha Amedi, 22, a Jewish student who was stabbed to death in the Old City on Saturday. Four persons were arrested. An Israeli official said the government believed that a Syrian-based Palestinian guerrilla group was responsible for the stabbing. The police said that three Arab youths had confessed.

### Attack on Afghan Rebels Reported

ISLAMABAD, Pakistan (AP)—Soviet and Afghan government forces bombarded Muslim guerrilla positions this weekend, killing and wounding dozens, rebel officials said. The insurgents said Sunday that their forces were holding on and had shot down two helicopter gunships.

Guerrilla officials said fighting raged across a 12-mile (20-kilometer) belt along the Pakistani border in Afghanistan's Ningrahar Province as the Soviet and Afghan armored columns advanced on guerrilla fortifications. The attack appears to be a major drive to close supply routes used by the guerrillas for transporting weapons and supplies across the border.

A guerrilla official said at least 16 rebels had been killed and 30 wounded in bombing and artillery attacks around positions at Nazina. The official had no details on losses in other areas, but guerrillas have said they are losing men while refusing to give figures.

### 2 Former Ministers Slain in Lesotho

JOHANNESBURG (AP)—Two former ministers in the cabinet of Lesotho Jonathan, who was deposed as prime minister of Lesotho in January, were among five persons abducted and shot to death Saturday, the South African Press Association reported Sunday.

The press agency identified the victims as Vincent Makhele, the former foreign minister, and Desmond Sixshe, the former information minister. The press association quoted a relative of one of the victims as saying the former officials, their wives and a male friend had been abducted Saturday night from the friend's home in the university town of Romaing, Lesotho.

### Top Seeds Leading in Chess Olympiad

DUBAI, United Arab Emirates (AP)—The top seeds in the 27th Chess Olympiad in Dubai beat their less-experienced opponents to score 4-0 victories in the first round Saturday.

In the matches, Hungary beat Venezuela, Yugoslavia beat Thailand, and the United States beat El Salvador. The Soviet Union, which is favored to win, scored three victories against Lebanon, with one game adjourned. In the adjourned game, the Soviet grandmaster Boris Spassky has an extra bishop and was expected to win against Mounir Tarbesh when play is resumed Sunday.



Boris Spassky, the former world champion, playing for France Sunday in Dubai.

### Boy Killed in New Caledonia Unrest

NOUMEA, New Caledonia (Reuters)—A 14-year-old boy was shot to death and 12 persons were injured in an outbreak of violence in New Caledonia during the weekend.

The clashes occurred Saturday after a meeting by a rightist party, Rally for Caledonia in the Republic, which opposes independence for the French Pacific territory.

In Paris, Bernard Pons, the overseas territories minister, said his statement that 30 persons had been detained and that measures were under way to restore order. He added: "Extremists close to the supporters of independence must know that all attempts to return to disorder will not be tolerated and that the government, while acknowledging the pain of the young victim's family, will in no way confuse readiness for dialogue and weakness."

### For the Record

The best contingent of U.S. soldiers sent to Bolivia in July to help in a crackdown on cocaine trafficking left Saturday. U.S. officials said the crackdown would continue, with U.S.-trained Bolivians replacing the U.S. soldiers.

President Ronald Reagan signed a comprehensive health bill Friday designed to promote exports of prescription drugs and to compensate children injured by vaccines. (NTT)

### DOONESBURY



## Pact on Mid-Range Arms Harmful To NATO, Alliance Commander Says

ISTANBUL—An agreement to eliminate medium-range missiles from Europe would leave NATO in a worse position than it was in seven years ago, according to the Western alliance's commander.

General Bernard W. Rogers of the United States, the North Atlantic Treaty Organization's Supreme Allied Commander in Europe, said the "zero option" almost agreed to in Reykjavik increased the overall threat to West Europeans from short-range missile systems and greater Warsaw Pact conventional forces.

"There is a greater risk and it is on the back of the West Europeans," General Rogers said at a joint meeting Saturday of the political and military committees of the North Atlantic Assembly.

General Rogers said of his feelings on the proposal to remove all medium-range missiles from Eu-

rope: "From a military point of view it gives me gas pains."

In Iceland, Ronald Reagan and Mikhail S. Gorbachev almost agreed that the United States would withdraw its cruise and Pershing-2 missiles from five West European countries in exchange for a similar withdrawal by the Soviet Union of its SS-20s stationed west of the Urals.

In the end, the talks founded on the U.S. Strategic Defense Initiative missile-defense system.

General Rogers said forward deployment of shorter-range SS-21s, SS-22s and SS-23s by Moscow meant that NATO would be "in a worse position than 1979" with a zero agreement.

### Swedish Official Protests French Visa Measures

STOCKHOLM—Foreign Minister Sten Andersson of Sweden has canceled a visit to the European Council in Strasbourg, France, to protest French visa controls, the Foreign Ministry said Saturday.

A spokesman said Mr. Andersson did not accept having to apply for a visa to attend a ministerial meeting at the council. The Swedish government has protested twice against the controls, which were imposed by France in September as an anti-terror measure, on the ground that they were an obstacle to European cooperation.

General Rogers, who also warned of a widening imbalance between the conventional forces of NATO and the Warsaw Pact, said the zero option would have to be accompanied by "balanced, verifiable reductions" in shorter-range ballistic missiles and conventional forces.

The United States says any intermediate-force agreement should include a freeze on some of Moscow's short-range missile systems.

But General Rogers appeared to go further by saying that an accord on intermediate forces should also be linked with moves to resolve the imbalance of conventional forces.

Earlier, in a prepared speech to the meeting, General Rogers said it was his major concern that the gap between the conventional forces of the opposing alliances was widening every year in the Warsaw Pact's favor.

"The day will arise when the military situation for our defensive alliance is beyond restoration," he said.

"With the backdrop of that massive conventional force that they have in the East," he said, "we'll find ourselves being subject to intimidation, coercion and blackmail and accommodation with the East."

General Rogers said that under current conditions he would have to ask NATO's politicians for permission to resort to nuclear weapons "fairly early" in a war.



Sir Geoffrey Johnson Smith, right, chairman of the military committee of the North Atlantic Assembly, speaking in Istanbul. At his side is General Bernard W. Rogers.

### 'Cosmetic' Withdrawal

Foreign Minister Knut Frydenlund of Norway said that the nuclear armaments that the Soviet Union says it has withdrawn from the Kola peninsula were removed "a couple of years ago," Reuters reported Sunday from Oslo.

Additionally, the Norwegian Foreign Policy Research Institute said the nuclear missiles were obsolete and were removed three or four years ago.

Tomas Ries, a military expert at the institute, said that the announcement in Helsinki last week by the Soviet party ideologist and No. 2 Politburo member, Yegor K. Ligachev, was "cosmetic and cynical."

The London-based International Institute for Strategic Studies said in a January 1985 publication that Moscow had withdrawn the weapons because longer-range missiles sited deeper inside the Soviet Union made them obsolete.

Mr. Ligachev said all launch sites for medium-range rockets had been dismantled in Kola, which borders on Norway and Finland and is the base for the Soviet Northern Fleet.

Finland's biggest newspaper, the Helsinki Sanomat, said in an editorial Saturday that the military significance of Mr. Ligachev's announcement should not be exaggerated.

"Missiles can be targeted into the Nordic area from as far away as the Urals," the newspaper said.

## Basel Protesters Hold 'Funeral' for Rhine River

By Thomas Netter  
Special to the Herald Tribune

BASEL, Switzerland — They buried the Rhine River over the weekend, in a symbolic funeral march of about 200 people, accompanied by a mournful dirge.

Outside town, near the Sandoz AG chemical warehouse, people gathered at the site of a disastrous Nov. 1 fire and chemical spill to show their displeasure once again.

While the two new protests were smaller than those that have filled Basel's cobblestoned Marktplatz several times since the fire at the warehouse of Sandoz, one of Switzerland's largest chemical companies, they showed that anger over the chemical disaster still lingers.

That anger continued to spread Sunday as Chancellor Helmut Kohl of West Germany, in an interview with a south German radio station, called the incident "intolerable."

He urged the Swiss authorities to make public what safety measures they plan after what is widely seen as Western Europe's worst environmental disaster in a decade.

The Swiss authorities and officials of Sandoz have promised to announce new safety measures this week, as a cleanup of the river near the site of the fire begins.

Basel officials plan to vacuum-clean about 660 pounds (about 300 kilograms) of poisonous pesticide, herbicide and fungicide residue from the river silt over about two weeks.

About 30 tons of chemicals are believed to have entered the river, but most of it has washed downstream.

Officials from Basel to the North Sea have expressed grave concern over a mercury-compound herbicide, called choroethyl-mercury-hydroxide, that went into the river.

Benedict Hurni, the chief of water monitoring in Basel State, said he believed most of the 1.9 tons of pure mercury it contained had gone up in smoke in the fire, while about 440 pounds (200 kilograms) went into the river.

"This is bad because we don't like mercury," Mr. Hurni said, adding that 1.9 tons equal about 20 percent of all the mercury that enters Switzerland's atmosphere in a year. Mercury can be lethal if ingested in large amounts.

Thomas W. Clarkon of the University of Rochester medical school in New York said in a telephone interview that he believed that much of the mercury had washed downstream and had been diluted, based on an analysis of preliminary reports.

He added that, unless someone ate substantial amounts of contaminated fish in the coming years, there was no significant danger to health.

Such comments, coming after a wave of condemnations from West German, French and Dutch officials have saddled this city with an image it would like to forget.

Until Nov. 1, Basel prided itself on being the home of Switzerland's greatest art museum, its oldest hotel and tavern, and its cultural center.

But in the past two weeks, it has been dubbed "Chernobyl" and "Bibbassel," references to the Chernobyl nuclear accident and the Bhopal chemical leak that killed about 2,000 people.

On Sunday, there was little if any suggestion that anything untoward had happened. Strollers took advantage of a sunny, cloudless fall day to walk by the river banks and visit cafes in the old town.

Birds flocked to people offering handfuls of grain and bread crumbs, an image that clashed with graffiti admonitions that "Basel is dying," "Basel bleeds," and "Basel is dead."

"Thanks to the firefighters, and above all to the fates, next to the chemistry industry, there still remains in Basel the Baslers," said a commentary in the Basler Zeitung's Saturday edition.

"Calcutta still sits on the Ganges, Basel still sits on the Rhine. Only Utopia still remains somewhere to be found," the newspaper added. "That it is found has recently been shown to be a fundamental imperative."

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AMERICAN TOPICS

Nader Finds Fraud In Utility Metering

The meters that measure how much gas a stove draws, how much electricity a freezer consumes...



A LAWYER, AGE 17 — Stephen Baccus and his parents, James and Florence Baccus, celebrated in Miami after he was sworn in by the Florida Bar Association...

The Hudson Oil Co. of Westwood, Kansas, was convicted in 1983 of adjusting its filling-station pumps in 16 states so that customers paid for about 3 percent more gasoline than they got...

defendants had already pleaded guilty. Mr. Vincent, 41, conceded, "I did not make myself do what I should have done."

Shorter Taken: The U.S. Food and Drug Administration, seeking to further reduce the menace of acquired immune deficiency syndrome, or AIDS, has added prostitutes and their recent clients to its list of people who should not donate blood.

them for a reported total of \$27.5 million to a New York group. President Ronald Reagan plans to appoint Alfred H. Kinjo, his assistant for cabinet affairs, as U.S. representative to the European Community in Brussels...

Short Takes

The British Embassy in Washington, on invitations to a Scotch whisky tasting, noted diplomatically that "transportation, for those who wish it, will be available at the end of the evening."

Breaking up family fights is far from being the most dangerous of a policeman's duties, according to the National Institute of Justice. Its study said that three times more policemen are killed in robberies than in domestic disturbances...

After John Kenneth Galbraith, the economist, author and diplomat, had held forth for an hour or so at a Washington press breakfast to launch his 25th book, "A View from the Stands," the chairman asked Catherine Galbraith, Mr. Galbraith's wife for 49 years, for her thoughts.

Notes About People Forty-two years ago Lady Bird Johnson paid \$40,000 for two Austin, Texas, radio stations, now KLRJ-AM and KLRJ-FM. This month the widow of President Lyndon B. Johnson sold

Preschools Pushing Too Hard, Study Says

By Barbara Vobejda Washington Post Service

WASHINGTON — Preschools are pushing children too hard and too early to achieve academically, leading to childhood stress, depression, burn-out and learning problems, two major education organizations warned.

The notion of teaching children academic skills at very early ages gained popularity in the late 1960s and 1970s, with parents exposing their toddlers to classical artwork and music and drilling them in math and reading.

There also are other forces at work: a growing number of disadvantaged children for whom early education is considered essential to later success, and a wave of parents looking for early academic prowess in their children.

But an accumulation of research and evidence of increasing numbers of children suffering stress and later learning problems has led such educators as Mr. Elkind and others to warn against the academic focus in these programs.

For U.S., Frustration at OAS Meeting

Its Policy on 'Contras' Is Unpopular, but So Are Sandinists

By Stephen Kinzer New York Times Service

GUATEMALA CITY — The annual meeting of the Organization of American States here last week has left many U.S. officials frustrated over the policy of many Latin American governments who disapprove both of the Nicaraguan government and the rebels who are fighting to overthrow it.

The officials said they believe such a policy is fundamentally inconsistent. During the weeklong OAS meeting, diplomats from several of the group's 31 member nations expressed distaste for the Sandinists on ideological grounds.

United States support for the rebels. The Peruvian delegate, Luis Gonzales Posada, asked the OAS on Monday how it was possible that an OAS member state can legally approve financing, training and arming an irregular army to attack another country that is also a member of the same organization.

2 U.S. Courts Rule Against Drug Testing

By David G. Savage Los Angeles Times Service

WASHINGTON — Two federal court rulings have cast new doubts on whether the U.S. government can test its workers for drugs. In a case in New Orleans, seen as the first test of President Ronald Reagan's plan to examine 1.1 million federal employees for drug use, a federal judge ruled last week that a general analysis of all U.S. Customs Service workers seeking promotions was "a gross invasion of the right to privacy."

Group Cites Return of 'Livable' U.S. Cities

By Benjamin Forgey Washington Post Service

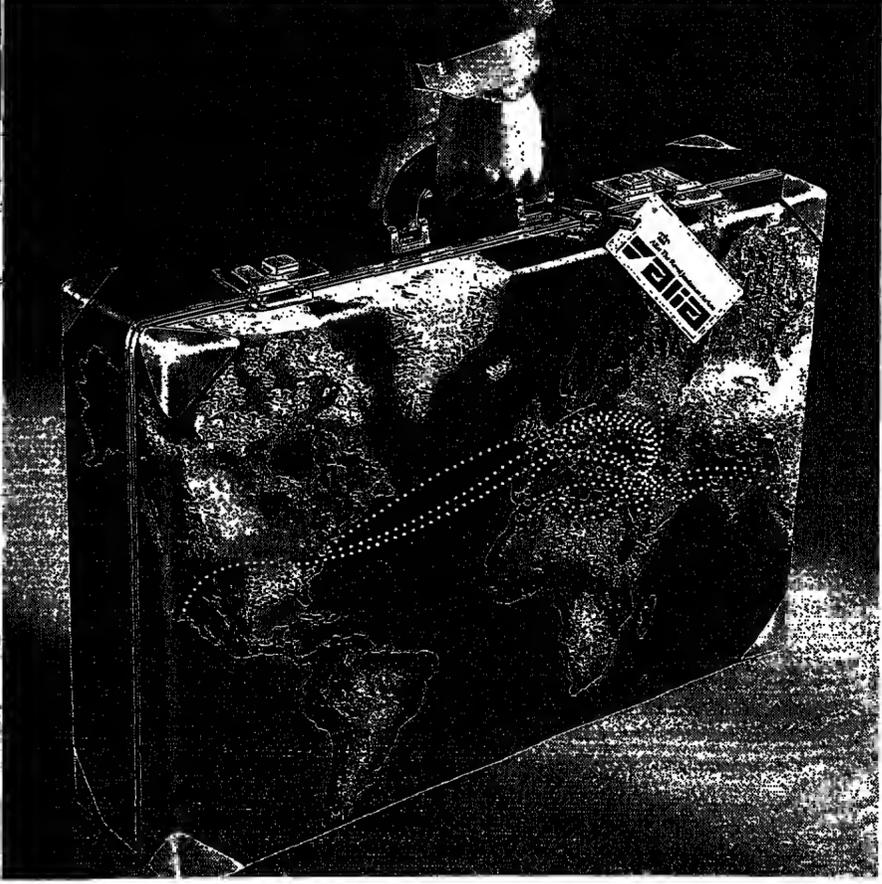
WASHINGTON — Ten years ago, an organization called Partners for Livable Places began studying, codifying and promoting the various ways so-called "intangibles" can advance the material well-being of cities. The group, founded as a spin-off of the Design Arts program of the National Endowment for the Arts, has focused most of its attention on the "economics of amenity," in which parks, theaters, art museums and galleries, sports and recreational facilities, clean air and pleasant streets are valuable elements.

Frink Lloyd Wright is said to have responded, "Abandon it." In the early 1940s the air in Pittsburgh was so foul that downtown street and store lights had to be kept on throughout a typical day. One significant factor in the city's turnaround is the consistency of its corporate and political leadership, which early on realized that much more needed doing to enhance and increase the vitality of the city.

A local financier, Richard King Mellon, is reported to have told a regional planning conference in 1945 that "Pittsburgh needs something to increase the enjoyment of living here and to induce business to come here." This is prose, not poetry, but for its time it was visionary prose, and it helped to produce well-planned cultural facilities, parks and office development in the central district.

Seattle has many stories, including a strong environmental push, the largest per capita public improvement program in the United States and creative, although not conclusively successful, efforts to

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OPINION

INTERNATIONAL Herald Tribune

Iran Is Just the Latest

At last, the president has at least brought the Iran mess into the open. His public statement, though defensive and incomplete, belatedly launches a damage-control effort. But the larger signs remain unmistakable: The Reagan administration's foreign policy is coming unglued.

Mr. Reagan tumbled into a bidding war that ended up with his imprudent acceptance of Mr. Gorbachev's proposed plan to eliminate all nuclear weapons within 10 years. The president is now trying to walk back from his hasty position, but has lost stature as a serious negotiator.

Aquino's Trials Go On

Corazon Aquino, president of the Philippines, is safely back from Japan after a trip that prompted heavy worries about whether a coup might take place while she was gone. Her trials, however, go on. They center in a sense on Defense Minister Juan Ponce Enrile. He abandoned his longtime patron, Ferdinand Marcos, last winter and helped deliver the united military support that made Mrs. Aquino's triumph by "people power" possible and peaceful.

This is the context in which alarming reports of a military plot against the Aquino government began circulating. The president, heading off on her recent trip to Japan, actually felt it necessary to caution against a coup. The chief of staff, General Fidel Ramos, a respected professional soldier who has emphasized his subordination to civilian authority, issued a stiff public warning to any "military adventurists" considering "rash" action.

Other Comment

Iran Episode Is Useful Lesson
As much as Ronald Reagan's duplicity on Iran cost the United States abroad, the greater damage was at home. Many Americans gave their utmost trust to this actor-president. Anyone who watched Mr. Reagan vowing never to negotiate with terrorists while slipping arms under the table to the ayatollahs may be pardoned for thinking all politicians are liars.

serious doubt over the continuation of Washington's firm line against terrorism. If there were, then his decision to adopt economic sanctions against Syria must surely have removed them.
Mr. Reagan insists that it was not a question of a swap or bargaining and that his country maintains a categorical refusal to negotiate with terrorism. He is not persuasive. And a few sanctions against Syria will not dissipate the impression that the White House speaks in double talk.

The Iran Opening: A Burden, a Responsibility

By Fouad Ajami

NEW YORK — As President Reagan now describes his overture toward Iran, it is an optimistic bet on Iran's moderation. There may be something to this. Modest results may yet vindicate his try. He has indicated to the Iranians that America was willing to let bygones be bygones, and conceivably he has positioned the United States to be an honest broker in the conflict between Iran and its regional rivals.

provided Iran with a convenient setting in which America and France could be harassed, in which the example of the revolution could be displayed at minimal cost. But even in that hopeless country of warring sects, the Shiite rebellion sprang out of Lebanon's own situation — out of a deep sense of disenfranchisement and a decade of Israeli-Palestinian war.

is in store for Iran's other neighbors. In Saudi Arabia and in the smaller states of the Gulf, the political order corresponds to the political culture and sensibility. Unlike the shah, the rulers there have refrained from playing with fire; the faithful were not offended as they were in Iran, and the pretensions were kept to a minimum. For all the talk of an imminent upheaval that would sweep away the conservative order of pro-American states in the Gulf, that order has remained intact. What problems it faces in the years ahead have less to do with external subversion than with familiar internal problems of political order and economic viability.

place. Americans have been hearing the region wail for itself. Very little of this has to do with the sermons and the sedition of Iran's mullahs. The Reagan overture toward Iran has not altered what for the United States remains a difficult Middle Eastern landscape. It is not within America's power to enforce the troubles of this tormented region or to make the place work or produce. The fragments of America that will survive in the Moslem world — the economic interests, the cultural institutions and ties, the political bonds — will do so to the extent that the people in the region share them.

America's Century: Is It Over?

By Jim Hoagland

PARIS — My favorite Leninist cliché is the one about the capitalists eagerly selling the rope for their own hanging. It came to mind the other day while listening to Jean-René Fourtou describe how three years of the overvalued dollar, followed by the greenback's precipitous yearlong slide, helped him buy part of Union Carbide last week.



New Approaches From Israel, America

By Avigdor Haselkorn

LOS ANGELES — Without a doubt, the timing of Israel's nuclear "bomb in the closet" policy was influenced by the sad experience of the Iran-Iraq war. Israeli leaders watched in horror as the Iraqis used chemical weapons on the battlefield and as both sides bombarded each other's cities with surface-to-surface missiles.

Other concerned states could not sit by while Iran gathered strength. So, beginning in late 1985, Iran had to contend with what its leaders called the "oil conspiracy": an effort by certain producers, in Prime Minister Mir Hussein Mousavi's words, "to damage Iran's ability to continue the struggle" by flooding the oil market and driving prices down.

Washington believes that some members of the Iranian leadership realize that the war is not in Iran's interests. Hasmehi Rafsanjani, speaker of the parliament, was quoted in Le Monde on Oct. 25 as saying that if the Iraqi leader, Saddam Hussein, stepped down, Iran would not challenge his country's integrity and would be prepared to negotiate with the new Baghdad regime "even if it was pro-American."

Why Is Indonesia Executing These Men?

By Eric Schwartz

WASHINGTON — The government of Indonesia recently executed nine political opponents who had been imprisoned for some 20 years in connection with a 1965 coup attempt. Now the government may execute 16 more prisoners. In the absence of Indonesians' right to criticize these actions, the international community should about its abhorrence of these executions.

Why is the Indonesian government executing these men — one beyond the age of 59? No one outside that government can be certain. Whatever the reason, it is the political climate in Indonesia today that makes it possible even though the events on which the executions are based occurred so long ago.

fr frenzy of reprisal killings aroused enduring passions. Middle-ranking military officers, who are believed to have initiated the coup attempt, said they were trying to prevent the military leadership from seizing power from President Sukarno. But the army quickly repelled the attack, and claimed it had been orchestrated by the Indonesian Communist Party. Anti-Communist military leaders later ousted President Sukarno, under whose protection the Communist Party had made important gains, and set out to eradicate leftist influence.

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IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Tiny, but Socialist
RUDOLSTADT — By the return of a Socialist majority in the Parliamentary election, the Principality of Schwarzburg-Rudolstadt has acquired the distinction of possessing the first Socialist Parliament in Europe. And, if the elections in this little principality, which comprises 96,900 inhabitants in its 907 square kilometers, may be taken as an indication of the approaching general elections to the Reichstag, the German Chancellor, in the opinion of the "Rudolstädter Zeitung," will have grounds for preoccupation on Jan. 12. By the Constitution of Nov. 16, 1870, the Principality has a Landtag composed of 16 members elected by secret voting, four by the more important taxpayers, 12 by the entire electorate. In the elections, nine of these 12 seats have been given to Socialists.

1936: Security After 65
WASHINGTON — Blue-uniformed legionnaires composed of 250,000 militiamen carried out from 45,000 post offices scattered over the United States (on Nov. 16) to inaugurate the Federal government's social security program, aimed at protecting 26 million U.S. workers against economic misfortunes in their old age. Before midnight, the postmen had delivered 3.5 million letters, one for every industrial and commercial employer in the country whose employees might be eligible for monthly benefits when they retire. Starting Jan. 1, the government will tax each worker's pay of his wages, while the employer will be taxed the same amount. The size of the pension will be determined by the amount of the worker's earnings during the period from next January until his 65th birthday.

Handwritten signature or note at the bottom of the page.

OPINION

Molotov: The Hand of Stalin's Long Arm

By George F. Will

WASHINGTON — The Soviet foreign ministry, with an austere protestant tone, said merely that "the pensioner" had died. Vyacheslav Molotov, dead at 96, never received notice commensurate with his involvement in large matters.

Perhaps part of his problem was his unprepossessing appearance. Churchill wrote of "his enormous head, black, mustache and comprehending eyes, his slab face." Molotov edited Pravda before organizing the first Bolshevik committee in Petrograd during the 1917 February Revolution, yet Trotsky called him "mediocrity incarnate." Trotsky, however, died 46 years before Molotov, in Mexican exile, with an alpine ax lodged in his skull by the long arm of Stalin, whose right hand was Molotov.

Lenin disparaged Molotov as "the best file clerk" in Russia. However, Russia's files bulge with interesting documents. For the vanguard of the proletariat — the leaders of the Communist Party — building a socialist system does not involve heavy lifting, but, my, the paperwork.

In "The Great Terror," Robert Conquest describes how Stalin and Molotov would arrive at their offices and find in their in-trays a list of 40 or so names compiled by one Yezhov, an enforcer.

"Comrade Stalin, I am sending for your approval four lists of people to be tried by the Military Collegium: "List No. 1 (general); List No. 2 (former military personnel); List No. 3 (former government personnel); List No. 4 (wives of enemies of the people).

"I request sanction to convict all in the first degree. Yezhov."

The lists would go into the out-trays, with the brief notation, "Approved, J. Stalin, V. Molotov."

These lists of a few dozen victims were part of retail killing in a country, and a country, characterized by wholesale killing. However, Molotov and Stalin did not usually deal in small numbers. Although there have been many mass murders with more flourish, few were more prolific than Molotov.

Robert Conquest's "The Harvest of Sorrow" is a new history of "the biggest unreported story of this century," the "terror-famine" engineered by Stalin to crush the kulaks, a term denoting peasants prosperous enough to be considered "class enemies." The famine killed seven million people, more than half of them children, in the Ukraine in 1932 and 1933. More than 15 million people — more than were killed in World War I — were killed by the brutal collectivization of agriculture that the famine was intended to accelerate.

Mr. Conquest notes that while official documents at the time spoke decorously of "limiting" the kulaks (a semantic evasion that anticipated the Nazis' "final solution"), Stalin and Molotov, plain speakers, preferred the word "liquidate." This was years before Hitler embarked on his genocide, which claimed fewer victims. Here, too, Molotov was a

pioneer whose achievements as Stalin's servant have not yet received due notice.

Molotov would chair meetings of committees that included men whose death warrants he had already signed — "dead men talking," in Mr. Conquest's phrase. But he did once rebel, in his fashion, against the purge of a person close to him. When, in 1948, the Politburo

Filial piety is always nice: Molotov was readmitted to the party two years ago.

ru, doing Stalin's bidding, voted to purge and imprison Molotov's wife, Molotov abstained from the vote.

His wife was a live wire. While imprisoned, a senior military officer recalled being greeted by her at a reception: "Ah, Sasha, whatever's this? Why haven't you been arrested yet?" She was at that time head of the cosmetics industry, a post she obtained when the man above her was sent to a labor camp.

Molotov's name is on the agreement — the Molotov-Ribbentrop nonaggression pact — that lit the fuse of the Second World War. Ribbentrop was hanged at Nuremberg 39 years before

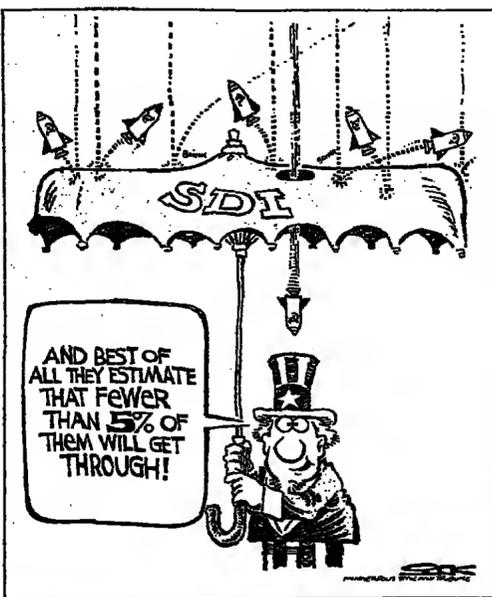
Molotov died. Justice falls unevenly on winning and losing camps.

Of the regimes that once were allied with Hitler, only the Soviet regime survives with institutional and ideological continuity. Molotov was a suitable symbol of the durability of the regime he helped create. When the 77-year-old Molotov plunged into the revolutionary turmoil, Russia was so prostrate and anarchic that a rabble could seize it. When he died, a 20th-century success story, the state he helped launch was the center of what historians Mikhail Heller and Alexander Nekrich in their new book "Utopia in Power" call "the last world empire. From Cuba to Vietnam, from Czechoslovakia to Angola, the sun never sets on the zone of Soviet control."

Molotov must have felt ill-used when, in 1962, Khrushchev, the Stalinist "de-Stalinizer," expelled Molotov from the party. Ingratitude is never pretty. Khrushchev's path to glory ran through the Ukraine, where he helped Stalin and Molotov suffocate that captive nation.

But filial piety is always nice, and recently the new, different, open, reforming, modernizing Kremlin leaders have rectified that injustice. Two years ago Molotov was readmitted to the party. Also, party records were falsified to show uninterrupted membership, a suitable tribute from that regime to one of its founding fathers.

Washington Post Writers Group.



For a First-Time Candidate, A Healthy Dose of Humility

By George A. Hirsch

NEW YORK — Everybody told me I wouldn't win. Everybody told me I was crazy. Well, they were right. And wrong. I didn't win. But I wasn't crazy. After all, they said, you've spent 24 years in the magazine business. Why, at 52, jump into politics, where you're a newcomer? And go up against an entrenched incumbent?

Well, for one thing, more than 40,000 people in Manhattan's 15th congressional district thought I should be their

MEANWHILE

congressman, and that's lovely. Alas, more than 50,000 thought Bill Green should be their congressman. And 50,000-plus is lovely.

For another thing, I learned a lot. Lesson one: humility. Let me tell you, you don't know what humility is till you've run for office. I had no idea, in the congressional district where I was born and have lived and worked all my adult life, how many people there were who didn't know me and who, when my name was mentioned, responded with an enthusiastic "Who?"

Humility II. A rainy evening in April. With my son Willie along for moral

support, I go to the Village Independent Democrats to try for an endorsement. Virtually my first speech, and I have a 20 minute beauty tucked away in my pocket. They tell me I have three minutes. I try to select key paragraphs. It is probably the oratorical low point of my campaign. We head for another club. I junk my written speech and do a good extemporaneous job. Unfortunately, at this club there are exactly nine people. (Every time Willie hears me say that, he says, "Eight, Dad." Humility III.)

Lesson two: the press conference. As a publisher, I thought I knew about the press. But as a candidate, I had to compete with things like the World Series and corruption trials. What I learned here was, it ain't a press conference unless the press shows up.

Lesson three: who's important. To get press attention, I set up endorsements by political stars like Gary Hart and Bill Bradley. Both came to New York to campaign with me. The coverage: virtually nil. So then, even with the luminous Ted Kennedy coming in to endorse me, I got nervous and invited Christie Brinkley to join us. She did. We made the cover of a New York paper, papers in Boston and Newark, and got stories on television and radio news.

Lesson four: human frailty. It's early May and in Central Park 6,000 runners are lined up for marathon applications. Runners — my people. For me, running the length of the line is no problem. Not the feet, anyway. I shake about 5,000 hands and spend the afternoon with my hand in an ice bucket.

Lesson five: People have other things on their minds. You may not, but they do, and you have to forgive them for not paying attention. A campaign call: Me: Hi, I'm George Hirsch, and I'm running with Governor Cuomo for election on Tuesday.

Voter: You are running against Governor Cuomo?

Me: No. He is supporting me. I'm running for office in Washington.

Voter: Washington? What's the matter? You don't like New York? Lesson six: Learning about the district and the people. It's home for folks with the megabucks, and a bunch of doorways for folks with no home. Home for the lady who saw me at a subway stop for the third time and who finally said, "If this happens one more time, we're going to have to get engaged."

I was happy. I was no longer an unknown. I'd gotten to say what I wanted to about important issues and I'd learned a lot. Yes, I didn't win. And, no, I wasn't crazy. I'd do it again tomorrow.

The writer was founding publisher of New York magazine and The Runner magazine. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

ANC: It Has to Fight Back

Regarding the opinion column "Be wary, the ANC is a Communist Front" (Oct. 28) by John R. Silber:

Clearly, a system of violent repression has wrought a violent response, and while the methods of the African National Congress are certainly not the most palatable, it is stretching the point to describe the movement as committed to terror, oppression and poverty.

Indeed, the adjectives more appropriately characterize the government's approach to containing its "racial problem." As Mr. Silber would have it, the humiliation and violence suffered by Winnie Mandela and her people should elicit little more than appeals for fair play. In fact, ANC activism was once limited to such appeals.

The brutal context of South African politics, however, has unfortunately all but eliminated the possibility of a peaceful solution. In the coming struggle the Western world will have to support one side or the other. Mr. Silber has apparently cast his lot with the minority regime. One can only hope that the leaders of Western governments will show more foresight in formulating a long-term approach.

PAUL J. COOK, Cavalese, Italy.

Class-Adam Wachtmeister, in "The ANC: Listen to Tambo" (Letters, Nov. 8), suggests that Oliver Tambo dissociates himself from violence. Mr. Tambo was in Moscow earlier this month and stated that the Soviet Union had pledged continued military assistance for the ANC. What does that mean?

Silence on Afghanistan

In response to "The Overlooked War: Why the Left is Mute" (Oct. 25):

Barnett R. Rubin was all too right in saying that lack of media attention is the cause of the left's silence on the Soviet invasion of Afghanistan.

Indeed, the Western media have failed miserably in their duty to report what is happening in Afghanistan. Why? Probably because of the inconvenience and danger of reporting from the scene, as well as the political considerations mentioned by Mr. Rubin.

Symptomatic of the media's failure was the uproar at Boston University's College of Communication in August. The dean of the college resigned while several faculty members expressed concern over a proposed plan to train Afghans in the most basic journalistic techniques so that they could report on the war. ("Boston School Divided Over Afghan Training," Aug. 23).

If Western journalists are incapable of doing their job, they have no cause to

complain when someone wants to train others to do it for them.

DON C. YAGER, Seeb, Oman.

Yamani Was No Moderate

Regarding the opinion column "As Yamani Leaves the Stage, His Warnings Come True" (Nov. 6) by John K. Cooley:

"Ranged against the Yamani policies of caution and regard for the industrial West..." What revisionism this is! Is it possible that the Yamani beloved of journalists as the man who "holds the world to ransom" can, in one week, become this champion of moderation? Sheikh Yamani has for so long been the media symbol for the Organization of Petroleum Exporting Countries, and OPEC the media's own "evil empire," preventing the three-car, two-hoat, air-conditioned family from enjoying life. I wait with baited breath for the new front-page scapegoat when oil prices are too high to suit consumers, or too low to please bankers and businessmen.

GAIL K.M. COLLIS, Vienna.

Giving In to Terrorists

In "France Has to Be Weak" (Nov. 6), Art Buchwald neglected to mention that

West Germany, Belgium and Greece also still maintain diplomatic relations with Syria — all for a variety of reasons not unlike those he attributed to France. It is a pity that he also neglected to mention that the United States is not above suspicion of giving in to terrorists, in view of the McFarlane mission to Iran. Rather than having a few giggles at the expense of an age-old ally of the United States, he should have asked why West Germany and the others still maintain relations with Syria.

Consider also that when American bombs fell on Libya, the BBC and British public opinion were hugely anti-American, while in France the French public was in favor of the American action — despite its government's action in preventing the bombers from passing through French airspace.

A.J. VILTOS, London.

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Gandhi, Jayawardene Meet on Tamil Conflict; Rebel Chiefs Join Talks

BANGALORE, India — The leaders of Sri Lanka and India met repeatedly over the weekend to search for a solution to the ethnic conflict in Sri Lanka...

say that if Mr. Prabhakaran's group, which virtually controls the northern town of Jaffna, agreed to lay down its arms, the other Tamil groups would fall into line.

The Indian government sent a plane to Madras on Sunday to bring two ministers of Tamil Nadu state...

Guerrillas are fighting to set up an independent state in the north and east of the island for the Tamils, who make up 13 percent of Sri Lanka's population of 15 million.

Speaking by telephone from the group's headquarters in Madras, the spokesman said that the police had arrived and had summoned the leader of the group...

Tamil militants have rejected Mr. Jayawardene's proposal to resolve the conflict by devolving power to the northern and eastern areas through a system of provincial councils.

The sources said Mr. Jayawardene and Mr. Gandhi discussed the issue with the help of maps for 70 minutes at midday Saturday...

The sources said Mr. Jayawardene is in Bangalore for a meeting of the South Asian Association for Regional Cooperation.

India's role in the Tamil struggle is considered crucial, because it offers a haven to the guerrilla leaders in its southern state of Tamil Nadu...

He and Mr. Gandhi held more talks with the leaders of the association drove to the Nandi Hills holiday resort for informal meetings Sunday afternoon, the sources said.

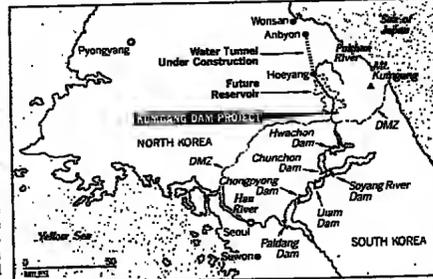


India's prime minister, Rajiv Gandhi, right, and Sri Lanka's leader, Junius Jayawardene.

Dam in North Raises Tension in Korea Seoul Considers Giant Project a Potential Military Threat

By John Burgess Washington Post Staff Writer

SEOUL — A new focus of military tension has emerged between North and South Korea — a dam. A hydroelectric dam that North Korea recently began building could be used in wartime to destroy Seoul and adjacent areas by flooding...



The Washington Post

At the least, South Korea said, the dam would partially divert a river and reduce the flow of water that South Korea uses in agriculture and power generation.

South Korea said the dam would benefit because natural flooding would decrease. Last week it called suggestions that the project posed a threat "foolish rubbish."

By its own account, Seoul does not know precisely where the dam is being built or how large it will be. But officials here say intelligence reports and some educated guessing make it clear the threat will be very serious.

So far the North has built an access road and begun work on the water tunnel, South Korean officials said. Construction will take about five years, they estimated.

South Korea said the dam would benefit because natural flooding would decrease. Last week it called suggestions that the project posed a threat "foolish rubbish."

South Korea said water flow into the South would be cut by about 20 percent, harming ecosystems, reducing supplies of drinking, irrigation and industrial water and reducing power generation at five South Korean dams.

It is unclear, however, what real pressure the South can bring to bear. The Communist government in the North is treating construction as a glorious revolutionary task.

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12 Killed As Strong Earthquakes Hit Taiwan

TAIPEI — At least 12 persons were killed and nearly 40 were injured over the weekend in a series of strong earthquakes in Taiwan, the police said.

The police said Sunday that 10 bodies, most of them of children and elderly people, had been recovered from the wreckage of three-story market near Taipei.

Saturday's earthquakes and aftershocks, registering from 2.0 to 6.8 on the open-ended Richter scale, provoked anxious queries about safety inspection procedures for buildings. A series of aftershocks occurred on Sunday.

More than 40 houses in the Taipei district and at Hsin in northeastern Taiwan collapsed. A 14-story office building in central Taipei also was damaged, the police said.

An editorial Sunday in the China Post newspaper said the earthquakes "should shock us into serious action on improving the quality and safety standards of our buildings."

It said figures showed that 68 percent of the government buildings in Taipei failed to meet official safety standards and limited at corruption among government officials and building companies.

Rescuers clawed through shattered concrete to search for survivors among the estimated 90 people who lived in makeshift dormitory rooms above the market in the northern Taipei suburb of Chunghe. The police said that most of the residents were accounted for.

Scores of buildings were reported damaged across Taiwan. Interior Minister Wu Po-hsiung ordered tougher inspection procedures for new buildings as government investigators seized documents from engineering and construction companies that built the Taipei market.

Taipei residents have become used to tremors, which frequently rock the city and open up cracks in buildings. But Saturday's quakes, among the worst in living memory, caused widespread panic.

Taiwan's worst earthquake was in 1935. It measured 7.4 on the Richter scale and killed 3,276 people.

Another article in Moscow News last week noted that the draft law on "individual labor" did not answer all questions. For instance, the article said, the size of the sum to be paid to the state was still unclear, and would be determined based on "the average incomes of workers doing the same job in local state-run organizations."

Moscow News also indicated that the cooperatives would involve people who did not have full-time jobs, such as housewives, pensioners and students. But the English-language paper said that during discussions on the law, one manpower expert noted that the new field of "individual labor" also could provide jobs for manual workers now being phased out of parts of Soviet industry.

The new legislation would, in effect, legalize much of what now happens in what is called the "gray" economy, where consumers turn to underground services ranging from car repairs to interior decoration.

The reforms have been under discussion for some time, at least since Mikhail S. Gorbachev, the Soviet leader, spoke in February of the need for "radical reform," and made an oblique reference to the

TAKEOVERS: The Boesky Fine

(Continued from Page 1) stook held by the public, can in effect decide whether a company is taken over.

People in the arbitrage business, which is said to have more than \$15 billion at its disposal, maintain that Mr. Boesky's activity was not typical of the way they operate. They say that the crux of their business is making decisions based on publicly available information and their knowledge of, among other things, past corporate behavior, how the past markets operate and the history of antitrust action in similar cases.

But Guy Wyser-Pratte, the head of risk arbitrage at Prudential-Bache Securities who wrote the book "Risk Arbitrage," also notes that arbitrageurs typically talk with investment bankers and corporate officials to size up the likelihood of a deal. Both sides in such conversations, he said, are aiming to find out what the other will do without tipping their own hand and without violating insider trading rules.

There was also a feeling among many on Wall Street that Mr. Boesky's role in the insider trading scandal, which first broke in May with the arrest of Dennis B. Levine, a former investment banker, was something that historians may point to as a symbol of the unusual, lucrative, free-wheeling era Wall Street is passing through, and the outside influence that a new breed of entrepreneurs has had.

More than anything, Mr. Boesky's agreement to pay the government \$100 million for his misdeeds illustrates the enormous wealth and power that speculators have achieved in the span of just a few years, and how the destiny of some of the largest, best known corporations rests in the alliance of self interest that exists between the arbitrageurs and Wall Street's takeover specialists.

The most important change in the takeover game in the past five years is that takeover speculators have gone from being bit players on the periphery of the game to being central characters who can, and do, decide what companies will be broken up, bought out or liquidated.

Arbitrageurs make it easier for a corporate raider to accumulate stock at lower prices because they serve as a conduit, first buying out public shareholders and, in effect, warehousing the stock for the raider to then buy in large amounts.

With the enormous wealth and capital that the arbitrageurs, known on Wall Street as "arbs," have accumulated in this short period of time, corporate executives are sometimes powerless to resist them.

This was evident last month when Allied Stores lost a takeover battle one afternoon when the millions of shares of its stock held by arbitrageurs were sold to the Campaign Corp. of Canada, which had mounted a hostile bid.

That deal would not have happened without the involvement of



Ivan F. Boesky

the arbs," said Daniel Good, a mergers expert at Shearson Lehman Brothers, who represented the losing bidder for Allied Stores. "The arbs say who will rise and who will fall."

Because of this influence, the Wall Street specialists who advise corporations on how to acquire other companies, or how to fend off unwanted bids, are often tempted to try to ally themselves with the arbitrageurs — and this is the tension that is at the heart of the insider trading scandal that has gripped the investment community since May.

Other than Mr. Levine, few young investment bankers or takeover lawyers with some of the most prestigious firms on Wall Street have been charged. According to the charges filed against Mr. Boesky, there was a free flow of inside information from these young investment bankers, whose firms were working on the deals, to Mr. Levine, and Mr. Levine then passed it along to Mr. Boesky.

The enormous success of the arbitrageurs in the late 1970s enticed numerous other investors to give them more money to operate with. These were often large institutions like insurance companies, simply seeking a better return on their capital at a time when interest rates were falling dramatically.

Mr. Boesky started with \$700,000 in 1975, and was able to raise a fund of \$900 million earlier this year.

Their swelling bankrolls gave the arbitrageurs, especially Mr. Boesky, substantial clout, able to buy up 5 percent and more of a company's stock and force it into the hands of a corporate raider. Adding to this muscle was the fact that once word spread that Mr. Boesky had bought a substantial interest in a company, numerous other arbitrageurs would jump in.

Several arbitrageurs said that Mr. Boesky's consent decree would discourage his colleagues from becoming visible at all in takeovers.

The worst fear is that there will be an overreaction that might stifle legitimate economic activity.

WORLDWIDE ENTERTAINMENT advertisement for Moulin Rouge featuring a woman in a red dress and text about dinner and show times.

Advertisement for the Herald Tribune newspaper, showing a newspaper cover and text about subscription rates and content.

Large advertisement for the Herald Tribune featuring the text '2 for 1' and 'Worldwide subscription rates offer discounts of up to 50% off the newsstand price'.

Table with subscription rates for various countries including Europe, Americas, and Asia, listing rates for 1, 6, and 12 months.

Subscription form with fields for name, address, city/country, and a signature line.

Advertisement for the International Classified section, listing various services like escorts, guides, and travel agencies.

Advertisement for the International Classified section, listing various services like escorts, guides, and travel agencies.

Advertisement for the International Classified section, listing various services like escorts, guides, and travel agencies.

Vertical advertisement on the right edge of the page, including 'New', 'ROATING RATE INC', and 'EUROB'.

# France: Betting on Growth

## POLICIES

### At a Glance

#### June 1981: Left Sets New Policies

Following the appointment of Pierre Mauroy as prime minister, and the elections for a new National Assembly, the Socialist

government introduced a program of reforms, including higher minimum wages and welfare allowances, reinforced trade union rights and increased taxes on the wealthy. The inflationary policies pushed the country into heavy borrowing abroad.

Pierre Mauroy

#### February 1982: Firms, Banks Nationalized

The country's five largest industrial groups, 39 banks and two holding companies are nationalized. Of the 20 billion francs allotted to investment in the nationalized sector, 6.45 billion francs are earmarked for the ailing steel industry. In March, a temporary freeze on wages is introduced and Socialists suffer a setback in cantonal elections for departmental assemblies.

#### March 1983: Delors Announces Austerity

In a major policy turnabout, the government announces an austerity plan to reduce France's heavy trade deficit and mounting debt. Finance Minister Jacques Delors's austerity measures include industrial restructuring, reductions in public expenditure, increased taxation and price controls.

#### July 1984: Fabius Moves to Modernize

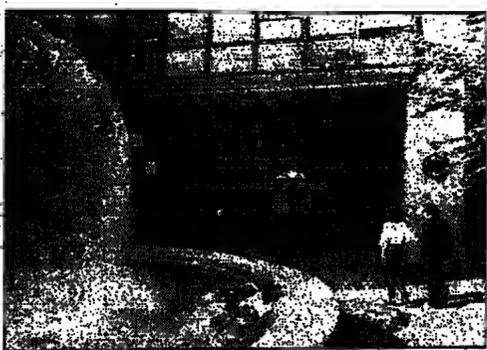
Laurent Fabius is appointed prime minister, replacing Pierre Mauroy. He ushers in a technocratic approach, adhering to a policy of reducing state intervention, moderating the economy and promoting decentralized decision-making with the continued aim of reducing government spending.

#### March 1986: Right Wins Elections

Following the right's victory in the legislative elections and Jacques Chirac's appointment as prime minister, measures are introduced to liberalize the economy and attract foreign investment.



Jacques Chirac



Photos by Claude Grammond/Collectif

'The success of privatization is what this government's economic policies will be judged on.'

## Investors Appear Less Enthusiastic For Privatization

By Julian Nundy

PARIS—When the Banque Nationale de Paris put novoting share certificates on the market last May, the issue was 10 times oversubscribed and had to be closed early. It was, it appeared, a good omen for the state-owned bank's eventual denationalization in particular and for the center-right government's privatization plans in general.

But within a few weeks, according to bankers, the BNP was itself in the market, buying its own *certificats privilegés d'investissement* to maintain their value after prices on the Paris Bourse started to fall.

France's first full-scale privatization — of the *Compagnie de Saint-Gobain* glass, construction and packaging concern — is due to be completed between Nov. 24 and Dec. 5.

Finance, Economics and Privatization Minister Edouard Balladur has said that the exact date will depend on market conditions.

However, some investment advisers admit to being lukewarm in their enthusiasm for denationalized issues, comparing the current atmosphere in Paris unfavorably to that which has preceded the privatization of British companies in London.

'The success of privatization is what this government's economic policies will be judged on,' one investment counselor at a private French bank said. 'But for the moment, my colleagues and I hardly even talk about denationalization.'

The privatization program aims to change

JULIAN NUNDY is on the staff of the International Herald Tribune.

France's economic landscape, ending the country's traditionally massive state involvement.

In the political short term, the capital earned from stock flotation will be directed by the government into public works projects, stimulating growth to an estimated 3 percent and creating new jobs.

And the short term is all important as the conservatives seek to prolong and extend their political grip by winning the presidency back from the Socialists.

For Prime Minister Jacques Chirac, any lurches could be costly as he keeps his eye on the next presidential elections.

The elections have to be held by May 1988 and could come much earlier if the current incumbent and Mr. Chirac's rival, François Mitterrand, decides that the moment is opportune.

The Saint-Gobain denationalization will be followed by that of the *Compagnie Financière de Paribas*, a major financial holding company, in January, and of the *Assurances Générales de France* insurance group in March.

In the new year, France's first television channel, *Télévision Française*, will be put on the market, heralding a deregulation of telecommunications and reform of broadcasting, a policy that has little public support, according to opinion polls.

To ensure the success of privatization and the development of the "popular capitalism" that has taken off so well in Britain under Prime Minister Margaret Thatcher, the government has announced a series of measures to encourage small investors, a class that scarcely existed in France until mutual funds were promulgated for the first time in the mid-1970s.

Mr. Balladur announced last month that

the government planned to introduce retirement savings plans. Each individual will be able to save up to 6,000 francs (\$999) a year, a sum that must be invested in stocks or bonds to qualify for accompanying tax advantages.

Another measure will be to sell stock in privatized companies on favorable terms to the companies' employees, a measure also intended to increase workers' sense of involvement in their firm and thereby guaranteeing a measure of social peace.

In the case of Saint-Gobain, for example, employees will have the choice of buying shares at 5 percent below their launch price and be free to sell them as they wish or to buy at 20 percent below and be obliged to keep the shares for a minimum of two years before selling.

Mr. Balladur said that these measures plus the creation of two investment funds for staff would ensure that employees held 10 percent of Saint-Gobain stock, a government target for all the denationalized companies.

Small investors, buying a maximum of 50 Saint-Gobain shares at the time of denationalization, will receive a bonus of one share for every 10 that they retain for 18 months.

But, for all Mr. Balladur's incentives, many analysts are worried by the prospects for denationalization in France, a process which could well suffer from a currently nervous market.

When Mr. Chirac was elected last March, the Paris Bourse was booming, buoyed by falling oil prices and a stationary rate of inflation achieved under the former Socialist prime minister, Laurent Fabius.

But in May, the market, reacting to falling

Continued on page 10

## Sweeping Reforms Promised

## Political Stakes Are High for Chirac

By Axel Krause

PARIS—Management of the French economy may again become the decisive issue in the next presidential election, which is scheduled for 1988.

The main reason, according to many observers, is that the conservative government of Prime Minister Jacques Chirac was elected last March on a pledge to stimulate growth and reduce unemployment by introducing sweeping reforms.

However, despite some decidedly important bright spots, such as lower inflation, the economy is expanding only moderately, unemployment remains at record levels and French industry continues to lose export market shares amid widespread concern in France and abroad that more vigorous action is needed. The volume of the Paris Bourse is sagging.

Rumors have cropped up in London and Paris banking circles about a new franc devaluation early next year, which would be part of a realignment of the European Monetary System.

'The economy, and specifically, unemployment, will be the issue in the next presidential election, along with security and terrorism,' said Edmond Alphonandery, a conservative deputy in the National Assembly.

Mr. Alphonandery, also an economist and supporter of Raymond Barre, the former prime minister who is a presidential contender, believes that the economy will become the central issue when "people here realize that economic crisis is no longer a worldwide phenomenon; that the unemployment situation, for example, is improving elsewhere."

The man currently at the helm, Edouard Balladur, the minister of finance, economics and privatization, radiated confidence in a recent interview in his office. He said: "Looking at our policies and reforms since coming to power eight months ago, I believe France is now headed in a good direction. All that is possible is being done to develop economic expansion — that is now being understood by the French people."

As the second most powerful man in the government after Mr. Chirac, Mr. Balladur is entrusted with a highly delicate mission: to gradually reduce the role of the government in the economy with a view to stimulating growth and jobs while easing prices downward in a traditionally inflation-prone economy.

'We are doing exactly what we said we would do,' he said, adding that critics inside and outside the government who urged more drastic measures, such as lowering interest rates, were being "irresponsible."

Since taking power, the government has introduced a string of reform measures that have included decontrolling prices, virtually eliminating exchange controls, starting denationalization of 65 banks and financial groups, easing worker-firing rules, reducing income and corporate taxes and some government charges paid by employers, expanding employee shareholding in privatized companies and establishing several regulatory agencies.

Substantial spending cuts will push the 1987 government budget deficit to a record low — 2.5 percent of gross domestic product, compared to 2.9 percent this year. Equally impor-



Edouard Balladur

tant, for the first time in 30 years, government spending next year is projected to rise less swiftly than prices.

Lively promotional campaigns have been organized, emphasizing what one governmental adviser describes as "the quiet, Chirac revolution — the plan to bring capitalism and entrepreneurship to France."

Some examples: ● A government-sponsored television commercial shows a stallion struggling off chains and galloping into a field. "When you provide the economy air, everyone breathes easier," says the announcer.

● Alain Madelin, industry minister, recently named Jacques Maisonrouge, a former IBM executive, to take over the No. 2 spot in the ministry. "From now on," Mr. Madelin said, "this ministry must adopt, and no longer orient, much less direct, the life of companies."

● The government is helping the White House host a conference on private-sector initiatives in Paris next week. About 200 senior executives and senior government officials from the United States and West European countries are expected to participate in the program, which will include a speech by Mr. Chirac and a videotaped address from President Ronald Reagan.

The political stakes in successfully driving home the message are considerable for both Mr. Balladur and Mr. Chirac since Mr. Chirac is widely expected to be the leading conservative candidate for president, while Mr. Balladur may be his choice for prime minister.

According to French political strategists and diplomatic observers, success or failure on the economic front could decide their political fortunes and that of their party, the neo-Gaullist Rally for the Republic, which currently dominates the coalition of conservative parties controlling the National Assembly.

Mr. Alphonandery, and even former Socialist

Continued on page 8

AXEL KRAUSE is the economics correspondent of the International Herald Tribune.

## 10 years old, and still 20 years ahead

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Economic Losses ■ Risk-Taking Encouraged

# Terrorism: Adding Up A Long, Expensive Bill

By Joseph Fitchett

PARIS — As models showed next spring's ready-to-wear fashions at the collections last month, the crowd along the runways was noticeably thinner than usual.

"The usual horde of fashion groupies stayed away this fall, some because they were scared there would be bombs, some because they knew there would be security hassles," noted a Paris-based American model.

"But most of the buyers came," she said, adding, "Professionally, they had to — and they're the people, after all, who really buy."

Like the fashion world, the rest of the Paris business world is trying to put the best possible face on the cost of terrorism.

Beyond the human loss caused by the terror-

ism in additional national health expenditure and in claims for compensation from victims.

A total figure may never emerge because so many variables are involved.

The uncertainties are partly deliberate. "We don't give out figures for detailed police costs," said a spokesman for the Interior Ministry. He implied that the acknowledgment of the economic damage of terrorism might help the terrorists' strategy.

During the bombing wave, François Léotard, minister of culture and communications, appealed to Parisians to maintain their normal activities. "Staying at home helps paralyze national life, which is one objective of the terrorists," he said.

But uncertainties are also in the nature of the question. "Lots of Americans stayed away from France this year because the dollar has fallen so far against the franc, but thought it sounded better to say they were boycotting France because the government was not going along with the United States on terrorism," said a U.S. executive in Paris.

When terrorism suddenly hit a peak in September in Paris, it was after a year when terrorism had already battered the French economy. As the Reagan administration stiffened its anti-terrorist policy, culminating in the bombing raid on Libya last spring, many Americans decided to avoid Europe during their vacations because they feared terrorist reprisals there.

Some fears were unavoidable. For example, major companies were told that their insurance coverage would be jeopardized if they insisted on sending several members of top management to Europe simultaneously.

The French Riviera was especially hit hard. In Cannes, the hotel owners' association will only acknowledge a slight drop in business during the summer. It says that the occupancy rate in the top hotels was down in July to 67 percent, compared to 86 percent in July 1985.

This is an over-optimistic version, other sources say. "The hotels and airlines were running fire sales all summer long for France," said an airline executive. "I was able to get rooms and get rates for friends with unheard-of ease."

"It was a tough go-round for everybody," said Frederick Paul, head of Pan American in Paris.

Major airlines flying the North Atlantic to Paris suffered 30 percent cancellations in May and June this year. Air France, in an effort to gain passengers, advertised "summer reductions" instead of the usual summer surcharges.

After the September terrorism bout, U.S. carriers to Paris quickly moved onto their winter schedule, offering a single daily flight to Paris instead of two. This, in effect, halved their New York-Paris capacity, so there are a lot fewer empty seats.

While the Riviera, whose main industry is tourism, suffered badly, Paris is less clear about how badly it was hurt.

At the Chamber of Commerce, Mr. Essig said that Americans were conspicuously fewer

## Overall business sales levels have not recovered.

ist bombings, the French economy has paid a stiff price to meet the costs of terrorism and anti-terrorism.

"Nobody has a figure, but it's a huge order of magnitude," said François Essig, director-general at the Paris Chamber of Commerce.

But a Paris-based executive added: "We're talking hundreds of millions of dollars just for new security alone, not mentioning all kinds of businesses' yield erosion," a word used in boardrooms for reduced profits in Europe this year.

Mr. Essig's office estimates that Paris stores suffered a 30-percent drop in sales in September, when a wave of bombs killed nearly a dozen people and wounded several hundred.

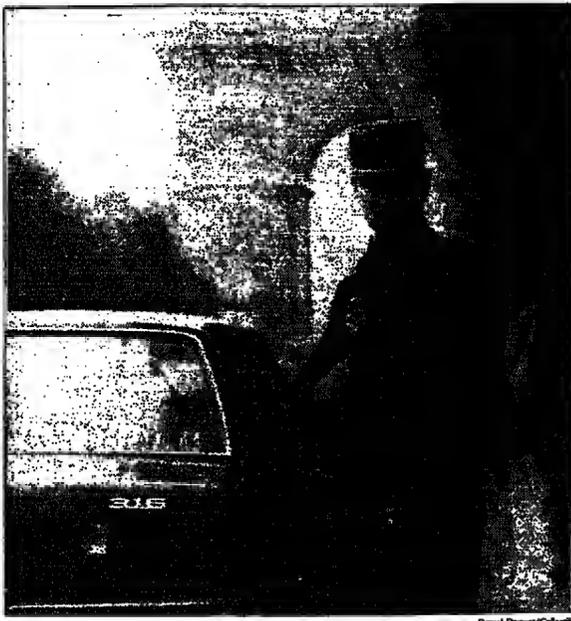
Some categories of businesses were hit even harder, for example, cinemas and restaurants, airlines and hotels.

On top of lost sales, many companies have had to shoulder extra costs involved in installing anti-terrorist facilities.

"Major airlines flying the North Atlantic are having to spend at least \$500,000 this year and \$700,000 next year to comply with new requirements for security at Paris airports alone," said an industry source, who asked not to be identified to protect his company.

These new costs cover additional security measures at check-in counters and also round-the-clock guards for airplanes on the ground to maintain surveillance of the service personnel.

The French government, too, has a heavy bill. Taxpayers have to pay for the costs of police overtime and reinforcement, and the government has lost money in lost sales taxes,



Security is heightened on the Champs-Élysées.

in number this summer. "But their places were taken by a big increase in German and Scandinavian travelers," he said.

However, he acknowledged that northern European tourists are no match for Americans in spending power. "In that sense, the situation had an extraordinary impact" on tourist-oriented sectors of the Parisian economy.

Another variable is the degree to which business travelers have been deterred. "Attendance was down by one-third at Sicob, the office-equipment salon, and by one-fifth at the auto salon, but sales didn't suffer proportionately because most of the people who really wanted to buy, came and bought," Mr. Essig said.

But he acknowledged that overall business sales levels have not recovered fully, especially where foreigners are concerned.

In some cases, the formalities of French anti-terrorism are daunting. On the TGV bullet train, police search passengers' luggage and, if a suitcase cannot be identified, the train is stopped and the bag hauled out along the tracks until it can be probed.

Recently at a Paris airport, a reporter waiting for a delayed flight saw five bags destroyed by police-run robots because their owners failed to respond to announcements asking them to identify their luggage. New visa requirements have resulted in long lines at immigration desks.

In the long run, France's new defenses may help the country by making it safer, said Mr.

Reid of Pan American. But the new defenses are costly.

Refusing to divulge figures or costs for extra police work, the Interior Ministry simply confirmed that all police leave was canceled for six weeks while the authorities tried to capture the bombers in Paris in September and then prepared the heavy security for the visit of the pope to Lyon in October.

But the budget of the Interior Ministry, which in France controls most of the police units, will rise 6.5 percent next year. In a period of budget austerity, the Interior Ministry and the Defense Ministry, which controls the other security units, were the only ministries to avoid cuts and get increases.

For two months, 12 companies of paramilitary riot police have been re-assigned to Paris to reinforce security there, and army units have been deployed in airports and along highways to tighten surveillance.

JOSEPH FITCHETT is the diplomatic correspondent for the International Herald Tribune.

# Entrepreneurs Gain New Prestige, Power

By Ronald Katz

PARIS — At the National Agency for the Creation of Businesses, the telephone rings incessantly. The ANCE, as it is called, was set up in 1979 with government backing to counsel would-be entrepreneurs.

Now, harried counselors in the central Paris office see 180 clients a day (19,000 over the last year), advising them on matters ranging from how to present themselves to prospective backers to the drawing up of market surveys.

"The interest in business start-ups has quickened in France," said Christian Chamallard, an ANCE spokesman.

France's new flirtation with entrepreneurship results from several factors: a flurry of legislation designed to encourage the creation of new firms; the emergence of self-made millionaires, such as Bernard Tapie, who have changed the negative image of the entrepreneur in France, and a rise in unemployment to nearly 11 percent of the labor force.

There has also been a spillover from Reaganomics, which has convinced politicians of the left and right that the entrepreneurial ethic, with its reliance on risk-taking and innovation, can be the tonic to revive a stagnant economy.

The previous Socialist government, which initially focused on sustaining larger, existing firms, did a turnaround in 1983-1984 and passed several laws to encourage smaller enterprises. Among the more notable was a measure eliminating taxes on the profits of industrial firms during their first three years of operation.

Another new law allows employees having three years of seniority to take a sabbatical leave for a year and in some cases up to two years, with their former jobs guaranteed, if they intend to start up a new firm. Still another permits unemployed workers to draw up to six months of their unemployment benefits in advance and to use those funds as investment or collateral in starting their own ventures.

The Socialists' initiatives were reinforced by the conservative government of Jacques Chirac when it took power in March. After a bitter fight, the right pushed through a law removing the requirement that companies first receive government approval before laying off workers. France was the only Western country to impose such requirements, which were widely seen as stifling hiring and innovation.

Minister of Finance, Economics and Privatization Edouard Balladur also canceled social charges for employers hiring workers, aged 16-25. But despite the political consensus in favor

of enterprise creation, the outlook for small business remains mixed. Bureaucratic and financial barriers, and a lingering cultural bias, create a gulf between government policies and their practical application.

During one of his television shows, Mr. Tapie, the flamboyant entrepreneur who specializes in turning around failing firms, pointed to a mound of documents needed to start a business in France, the number needed, he said, to get started in the United States.

The government has tried to prod the bureaucracy with a December 1984 law requiring the clerk of the Commerce Court to respond within 15 days to any demand to register a new firm. But some observers doubt the measure's effectiveness. "I don't think it's filtered down to the bureaucrats that they are supposed to expedite forms," said Sergio Arzeni, a specialist in innovation at the Organization for Economic Cooperation and Development.

But the biggest impediment to start-ups is the difficulty in finding finance. On paper, the government cannot be faulted for a failure to provide incentives. Private venture capital companies in France are exempt from corporate tax on income and net capital gains on the shares of nonquoted companies they hold. In shares of nonquoted companies, or SFIs as they are known in France, which promote research and new inventions, have a special depreciation allowance of 50 percent.

However, the concept of risk has not yet been fully developed by French venture capital companies, many of which invest the bulk of their funds in existing firms where there is a good chance of an immediate return on investment. Sofinova, France's largest venture capital company, invests only 20 percent of its liquid capital in start-ups and will not consider lending to a new business having capital of less than a million francs (\$150,000).

In addition, the procedures for obtaining finance can be lengthy and dispiriting. Dossier can be held by the banks for months; revised forecasts can be repeatedly demanded.

Christiane de Froberville, an entrepreneur who spent 18 months raising finance for a studio to produce animated cartoons in the Pas de Calais, said: "Most French banks are not set up to take risks, no matter what the government says."

RONALD KATZ, who works at the economics secretariat of the International Chamber of Commerce in Paris, writes on business issues for several publications.

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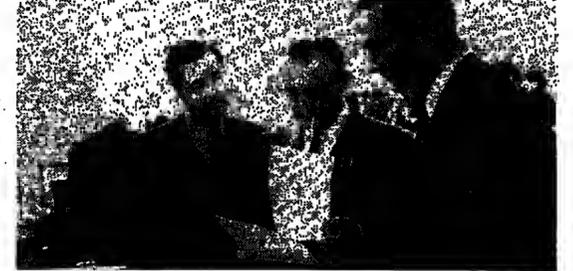
## Pompidou Heritage

PARIS — On the mantelpiece of Edouard Balladur's office is a photo of the man who not only provided him the first key job in government, but profoundly influenced his life: Georges Pompidou, the former prime minister who succeeded Charles de Gaulle as president in 1969.

A similar portrait is in the office of Jacques Chirac, the current prime minister, and in those of half a dozen other members of his government, who also worked for Pompidou and were greatly influenced by him and his style. The photos are but the visible signs of belonging to a small, elite group known as "les Pompidoliens."

Those in the group reflect some of Mr. Pompidou's personal traits, such as striving to adopt a certain reserve, calm and detachment with regard to events and political life. Above all, they are emotionally and historically tied to a man they admired perhaps even more than De Gaulle, even though most of them always display allegiance to the general's memory.

It was Mr. Pompidou who, as De Gaulle's prime minister, brought together Mr. Balladur and Mr. Chirac during one of



Prime Minister Georges Pompidou, center, with two of his key advisers, Edouard Balladur, left, and Jacques Chirac, in 1968.

the most explosive periods of French post-war history — the student revolt and general strike of May 1968.

During that period, L'Express magazine recalled in a recent profile of Mr. Balladur, "the future president [Pompidou] turned for support to two pillars — his adviser for social affairs, Edouard Balladur, and his then state secretary for employment, Jacques Chirac. The trio was formed."

"Being a Pompidolien is difficult to describe, but we all were greatly influenced by him," said Denis Baudouin, who was Pompidou's director of information at the Ely-

see Palace in the early 1970s and who is currently Mr. Chirac's spokesman.

"We were drawn by Pompidou's calm, forceful approach, his quality to synthesize and avoid dramatization; that, perhaps more than any other factor, characterizes us," added Mr. Baudouin.

"From the beginning of this government, Balladur has been a kind of mentor for Jacques Chirac," said one of the Pompidoliens. "The point is that Balladur projects something of a strong, father image, the same way Pompidou did for many of us in the 1960s."

Axel Krause

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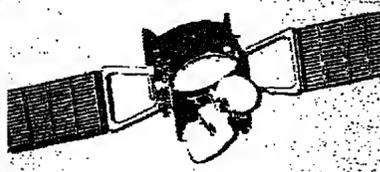
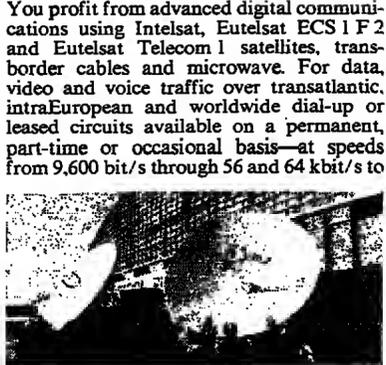
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## Stakes Are High for Chirac, Balladur

Continued from page 7

ministers when speaking in private, concede that reforms carried out since the March 16 parliamentary elections have moved in the right direction, continuing earlier policies.

Yet, he also firmly believes that Valéry Giscard d'Estaing lost the presidential election to François Mitterrand in 1981 because of his failure to resolve unemployment. Largely for the same reason, Mr. Mitterrand's Socialist Party lost the March elections and pledges by Mr. Chirac that his proposed changes would bring growth.

What is needed, Mr. Alphonse says, is "a genuine leap forward," particularly in greatly easing fiscal policy. He believes this is essential if France is to avoid being outdistanced by West Germany, its largest trade partner.

The International Monetary Fund, in a confidential report, has also raised some pointed questions about the government's program, but concludes that it is on the right track.

Published in September, the report generally gave the government high marks, noting, for example, that the impact of a moderate franc devaluation within the EMS earlier this year will only "reach its height in 1987," thus dampening any need for another devaluation soon.

The report warned about structural weaknesses in French industry, however, notably in the export sector, and forecast a slowdown in the economy's overall rate of expansion next year.

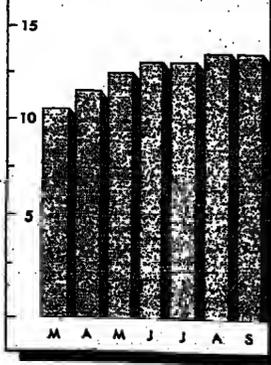
The IMF also praised the government for removing exchange controls but noted that the administrative structure for controls has not been dismantled.

Nevertheless, the IMF urged that current policies be continued, a conclusion Mr. Balladur described as "good" and "encouraging." He said that leftist opposition leaders, among others, lack firm, alternative strategies, particularly with regard to lowering unemployment. "They really are quite moderate in their criticism, don't you think?" he said.

Based on forecast reports and conversations with bankers, economists, diplomats and political leaders in France and abroad, the following economic picture emerges: France is expe-

## Unemployment

(as percentage of workforce)



riencing very moderate expansion, just over 2 percent in GDP growth, roughly double last year's virtually stagnant rate of 1.1 percent. GDP measures a nation's total output of goods and services, but excludes foreign investment flows.

Few of those interviewed, however, said they believed that France could achieve the government's goal of 2.8 percent GDP growth next year. The IMF forecasts 2.2 percent growth in 1987. Five out of six private forecasting groups, recently surveyed by Le Figaro newspaper, also were below government estimates.

The European Community Commission recently projected 2.5-percent growth, placing France slightly below the EC average.

The dilemma for Mr. Balladur is that to make a dent in the high unemployment level, a growth rate of at least 3 percent is needed. But the jobless level, at about 2.5 million people, is

not receding, even though, as Mr. Balladur notes, job creation is under way in many sectors of the economy.

Most forecasts agree that France's unemployment rate of 10.5 percent will remain at that level, or rise slightly next year, while, as Mr. Alphonse and others note, unemployment is expected to decline next year in West Germany, Italy, the Netherlands, Spain, Portugal and Ireland.

There are brighter spots. The 12-month inflation rate, compared with a year ago, is at just under 2 percent, the lowest level in more than two decades. Most observers, including the IMF, expect a trade surplus this year of between 5 billion francs (\$757 million) and 7 billion francs, and moderate investment growth of around 3 percent this year, compared with 2 percent last year.

Denationalization of three state-owned groups is proceeding on schedule, and others will be named shortly.

"Everyone wants to be privatized," Mr. Balladur said, commenting on requests by the remaining 62 companies, banks and insurance groups that await privatization.

A more cautious assessment, reflecting widespread opinion in the international investment community, was contained in a confidential memorandum prepared by a senior Western diplomat based in Paris who follows the economy closely. "One should be cautious in concluding that France is a fundamentally changed country," he said.

"It is too early to do more than cheer the French for their good start, because this country is only now stepping beyond the postwar era. But I believe it would be difficult to identify much deep political commitment by the population for a major change in the institutions, and surely not yet by the unproven, free-market-oriented right," he said.

Mr. Balladur was decidedly noncommittal when asked what might happen if the conservatives win the next national elections, and specifically, whether his reforms might be significantly accelerated. The government is doing all in its power to provide the conditions for growth, he emphasized. "I prefer to limit my comments to that, at this point."

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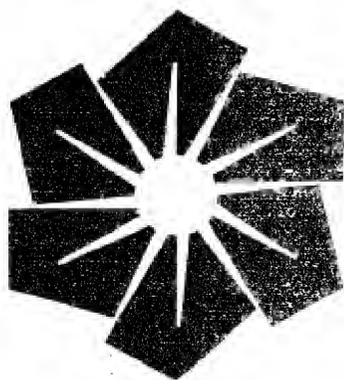
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### Brazil Vote Backs Left Of Ruling Coalition

By Juan De Onis  
Special to the Herald Tribune  
RIO DE JANEIRO — The moderate leftist majority in President José Sarney's governing coalition has scored a major victory in elections for a new Congress and for state governorships in Brazil.

In the first nationwide direct elections since 21 years of military rule ended last year, the voters appeared to heavily favor candidates of the Brazilian Democratic Movement Party. This was the major opposition party during the years of military government.

[According to projections based on partial returns, the Democratic Movement Party was winning absolute majorities in the Senate and Chamber of Deputies, the two houses of the Congress, Reuters reported.

[The early results also showed that the party's gubernatorial candidates seemed assured of victory in 17 states, while opinion polls of voters indicated that the other six could go to the Democratic Movement Party, the rightist Social Democrats or the Liberal Front, a breakaway group of Social Democrats that split with the party two years ago to form an alliance with the Democratic Movement Party.]

Senator Severo Gomes, a leader of the Democratic Movement Party, said the vote indicated popular support for more social investments, including land redistribution, and for a tough line by Brazil in negotiations with its foreign creditors on refinancing \$100 billion in foreign debt.

Early returns showed the party winning a major victory in São Paulo, Brazil's largest and most industrialized state. Orestes Quercia, its candidate for governor, and both Democratic Movement Party candidates for senate seats were far ahead.

The losers in São Paulo were Paulo Salim Maluf, a symbol of the right and former governor of the state under the military, who lost the 1985 presidential election to Tancredino Neves of the Democratic Movement Party. Also defeated in São Paulo was the candidate of the leftist Workers' Party, Edmardo Suplicy.

The Liberal Front, a minority partner in the governing coalition, suffered a serious defeat in Bahia, where Antônio Carlos Magalhães, minister of communications, lost his dominance over the political parties in that important state.



President Ronald Reagan welcoming Prime Minister Margaret Thatcher of Britain at Camp David, Maryland.

### ARMS: Reagan, Thatcher Agree

(Continued from Page 1)  
Maryland, without even a note taken present. They also had a working lunch with their aides present before she returned to Washington.

She opened her news conference by saying that she and Mr. Reagan had agreed that in the post-Reykjavik arms-control talks, priority should be given to these issues:  
• An agreement on medium-range missiles with restraints as well on shorter range systems.  
• A 50-percent cut over five years in American and Soviet strategic offensive weapons.  
• A ban on chemical weapons.

subsequent five years, was to provide even more extensive cuts. Mr. Reagan proposed eliminating all ballistic missiles in that period, and Mr. Gorbachev proposed eliminating all offensive strategic weapons by 1996.

■ Soviet Ratifies Accords  
The Soviet Union has ratified two international conventions on nuclear accidents, but the government press agency Tass said that Moscow would not be bound by a provision allowing a government to take a dispute to arbitration or to the International Court of Justice, The New York Times reported from Moscow.

### KIDNAP: Manila Abduction

(Continued from Page 1)  
ing her visit. They cited this success as an indication that the tensions in Manila were not affecting the image of the government among foreign leaders or investors.

On the day of the president's return, the mutilated body of a leading leftist politician and trade union leader, Rolando Olalia, was discovered along with that of his driver, heightening tensions.

Manila had been swept during Mrs. Aquino's absence by reports that officers close to Defense Minister Juan Ponce Enrile had planned a coup.

Mr. Olalia's labor union, the May First Movement, blamed the military for his killing and announced Saturday that it was planning a general strike on Monday by its members, estimated at 500,000.

Other leftist groups said they would join the "national day of indignation," and a mass funeral was planned for Thursday.

### IRAN: More Arms Shipments Unnecessary, Shultz Says

(Continued from Page 1)  
firmed" that it was not "the right thing for governments to trade arms or anything else for hostages, just because it encourages taking more."

U.S. policy against trading arms with terrorist nations remained in place, he said.

Asked if there would be more arms shipments to Iran, "either directly by our government or through any third parties," Mr. Shultz replied: "It's certainly against our policy."

Pressed for a more direct answer, he said, "We gave a signal and the signal has been given, and, as far as I'm concerned, I don't see any need for further signals."

■ Joint Chiefs Surprised  
George C. Wilson of The Washington Post reported from Washington: The Joint Chiefs of Staff had "zero knowledge" of President Reagan's secret shipments of arms to Iran, according to officials.

was sporadically informed of some details.  
Mr. Reagan, who came into office five years ago pledging full consultation with military leaders, also froze out the Joint Chiefs when he endorsed elimination of all nuclear weapons during his October meeting with the Soviet leader, Mikhail S. Gorbachev.

Lieutenant General John H. Moeller, Admiral Crowe's assistant, was at Reykjavik to represent the Joint Chiefs but was not consulted before Mr. Reagan made his offer, sources said.

Neither Admiral Crowe nor his fellow Joint Chiefs — the heads of the army, navy, air force and Marine Corps — have publicly discussed either the Iranian arms deal or Mr. Reagan's offers at Reykjavik.

■ Denial From Assad  
President Hafez al-Assad of Syria denied Sunday Western allegations that his country was involved in terrorism, The Associated Press reported from Damascus.

Mr. Assad said President Reagan and Prime Minister Margaret Thatcher of Britain were "the real terrorists who practice state terrorism against the freedom of the people."

### MANAGUA: Hasenfus Guilty

(Continued from Page 1)  
question and then said he would appeal.

"It is very clear that the defendant was fully aware of what he was doing," the three-judge panel said. It found that the rebel groups, especially the Nicaraguan Democratic Force, which Mr. Hasenfus was apparently helping, were "supplied, directed and financed by the current government of the United States."

In their decision, the judges said it had been "fully proven" that Mr. Hasenfus was associated with the Central Intelligence Agency. Mr. Hasenfus had appeared to make that admission in statements soon after his capture, but at his trial he denied ties to any U.S. agency.

The prosecutor, Justice Minister Rodrigo Reyes, said during the trial that he had not been seeking to prove that Mr. Hasenfus was a CIA agent. American officials have denied that Mr. Hasenfus was working for any government agency.

The defense lawyer, Enrique Sotelo Borgen, said after the verdict was read that it "goes beyond what was alleged in court."  
In their decision, the judges specifically rejected Mr. Sotelo's assertion that the People's Tribunal had been illegally constituted and had no right to try foreigners. The tribunal also said they were fully justified in banning Griffin B. Bell, former U.S. army general who has been working with the defense, from actively taking part.

### JIHAD: 'Wider Steps' Are Urged

(Continued from Page 1)  
livers were not linked to release of the hostages.

The Islamic Jihad statement said: "The American government should be well aware that we will not resolve the issue of the hostages unless our demands are met, and we will not budge from this at all."

It added that remarks by Mr. Reagan and "his ignorant administration" would only increase the group's determination to adhere to its demands to the end.

The group did not specify what the demands were. In the past, it has asked for the release of 17 activists linked to Iran who are held in Kuwait for bomb attacks on the American and French embassies there three years ago. Kuwait has ruled out such a release.

### Notre Dame Picks New President

New York Times Service  
SOUTH BEND, Indiana — The University of Notre Dame has named the Reverend Edward A. Malloy, a specialist in ethics, as its 16th president.

Father Malloy, 45, now associate provost, is to succeed the Reverend Theodore M. Hesburgh in May. Father Hesburgh has been the university president for 35 years.

Father Malloy, who was selected Friday, obtained undergraduate and graduate degrees from Notre Dame and has a doctorate in Christian ethics from Vanderbilt University.

More recently, however, officials quoted in the pro-government press have suggested that processing a pardon could take several months. The official Nicaraguan press agency said in a dispatch published Thursday that President Daniel Ortega Saavedra would have to ask approval from the National Assembly before granting a pardon.

Political commentators in Managua who have followed the trial discount the possibility that the Sandinist government might agree to free Mr. Hasenfus.



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1 Game \$ 45. <input type="checkbox"/> \$112. <input type="checkbox"/> \$ 225. <input type="checkbox"/>	2 Games \$ 80. <input type="checkbox"/> \$225. <input type="checkbox"/> \$ 450. <input type="checkbox"/>	3 Games \$ 135. <input type="checkbox"/> \$337. <input type="checkbox"/> \$ 675. <input type="checkbox"/>
4 Games \$ 180. <input type="checkbox"/> \$450. <input type="checkbox"/> \$ 900. <input type="checkbox"/>	5 Games \$ 225. <input type="checkbox"/> \$582. <input type="checkbox"/> \$1125. <input type="checkbox"/>	6 Games \$ 270. <input type="checkbox"/> \$675. <input type="checkbox"/> \$1350. <input type="checkbox"/>

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International Bond Prices

Table of international bond prices including columns for Amt, Security, % Mat, Mkt Price, and Yld. Includes sub-sections for (Continued) and various international bonds.

Table of international bond prices for Sweden, Switzerland, and the United Kingdom, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for the United States, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for France, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for Norway, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

NASDAQ National List

NASDAQ National List table showing OTC consolidated trading for week ended Friday, Nov. 13. Includes columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for Japan, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for Euro-Currency Units, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for Pounds Sterling, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for Japanese Yen, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Advertisement for the International Herald Tribune newspaper, featuring a photo of a person and text about the paper's global reach.

Table of international bond prices for Zero-Coupons, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for Canadian Dollars, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for Convertible Bonds, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for Miscellaneous, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Large advertisement for Lufthansa flights, featuring the text 'The Inflight Newspaper is available on Lufthansa flights' and the Lufthansa logo.

Table of international bond prices for Eurobonds, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for Weekly Sales, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Table of international bond prices for Labor Rates, including columns for Amt, Security, % Mat, Mkt Price, and Yld.

Advertisement for 'Seize the world' featuring the text 'The International Herald Tribune, Bringing the World's Most Important News to the World's Most Important Audience' and a stylized globe.

New International Bond Issues

Compiled by Laurence Desvillettes

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupon, and Equity-Linked.

WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam

Share prices on the Amsterdam exchange moved cautiously last week after major companies published financial results...

The lower dollar had a substantial negative effect on all international...

The ANP-CBS General Index rose 1.5 points Monday to 284.8, reflecting higher prices in the industrial sector...

A weaker dollar drove the index down to 280.3 on Friday, against 283.3 the previous week.

Total volume came to 4.153 billion guilders, down from 5.352 billion.

Frankfurt

Sentiment was depressed on the Frankfurt exchange in response to a 30-point drop on Wall Street...

The Commerzbank index gave up 39.9 points to finish at 1,979.2.

Volume of transactions came to 1.899 billion Deutsche marks.

Bond Prices Stage Sharp Increase

By H.J. Maidenberg New York Times Service NEW YORK — Prices of long-term Treasury securities have increased, partly because falling yields encouraged retail investors...

U.S. CREDIT MARKETS

yield 7.52 percent. That compared with 7.58 percent on Thursday and 7.64 percent a week earlier.

Dealers said that, even before December bond options expired at noon in Chicago, the credit markets had shown an upward bias.

Just before the December options went off the board, locals found themselves short about 15,000 calls, mostly the expiring 98 contracts and, worse, the price of the underlying December futures was moving above 98.

As the shorts rushed to cover their exposed positions, it also sparked buying in the New York cash bond market, he said.

The easing of yields also encouraged some large corporate borrowers to enter the credit market.

Niagara Mohawk Power offered \$100 million of 10-percent, 30-year first mortgage bonds through a syndicate headed by Salomon Brothers and Merrill Lynch Capital Markets.

The unit's bonds may not be redeemed before 1991 with funds borrowed at an annual interest rate of less than 10.092 percent.

Helway Foods offered \$100 million of debt, consisting of \$50 million three-year notes with a 7-percent coupon that was priced by a Goldman, Sachs & Co. group to yield investors 7.027 percent, or 50 basis points more than comparable Treasury issues, and \$50 million of 30-year debentures priced to yield 9.219 percent, or 140 basis points more than a like Treasury maturity.

U.S. Consumer Rates

Table with columns: Service, Rate, and Source. Includes items like Foodstuffs, Rent, and Home Mortgage.

SELECTED U.S.A./O.C. QUOTATIONS

Table with columns: Bid, Ask, and Item. Includes items like Bitter Corp., Chiron, and GoodMark Foods.

To the Holders of FORD MOTOR CREDIT COMPANY Floating Rate Notes due November 1991

Pursuant to the Fiscal Agency Agreement dated as of November 1, 1984 (the "Agreement") between Ford Motor Credit Company and The Chase Manhattan Bank (National Association), as Fiscal Agent, notice is hereby given that the rate of interest applicable to the above Notes for the interest period November 17, 1986 to May 18, 1987 as determined in accordance with the provisions of the Agreement, is 6 3/4% per annum.

THE CHASE MANHATTAN BANK (National Association), as Fiscal Agent. Dated: November 17, 1986

Milan

Milan stocks sulked last week and the broadly diversified trend was attributed by analysts to minimal activity by foreign and corporate investors before the year-end bookkeeping period.

The Comit Index closed at 743.49 points compared with 768.61 the previous week, and the Mediobanca declined to 332.67, from the previous week's 343.43.

Volume, too, was down, averaging 45 million shares a day from the previous week's 35 million.

Shares regressed in every sector. Fiat lost 3.7 percent, Olivetti was down 5 percent, and Iniziativa MeTa fell 2.5 percent, although its parent group, Montedison, held losses to 2.7 percent.

Analysts said they expected no major shift in trading patterns in the coming weeks.

Paris

Trading activity was stagnant on the Paris Bourse last week, with the CAC index over four days moving from 379.3 to 378.6.

Investors continued to display great caution before the first major denationalization later this month.

While some analysts maintain there is enough liquidity to absorb the shares offered, others point out what they say has been the less than successful partial denationalization of the Elf-Aquitaine oil group.

But foreign investors have renewed their interest in the Paris Bourse. A British brokerage house this week cited a lower tax burden to France, the end of price controls, deregulation of financial markets and denationalization efforts as evidence that the French market offers attractive opportunities.

Trading totaled 32,077 billion francs, compared with 38,749 billion for five days the previous week.

Singapore

The Singapore stock market edged to selling pressure throughout last week, and most shares finished sharply lower Friday for the fifth straight day.

Stop-loss selling by traders who could not take delivery of their scrips was seen as the main cause of the decline. Nervous investors preferred to unload their shares. Caution prevailed among buyers throughout the week, and the index closed Friday at 885.63, down nearly 9 points on the previous week.

Trading volume for the week shrank by 27 percent to 108 million units, while value dropped by 31 percent to 209 million Singapore dollars.

The industrial and commercial index shed 3.58 points to 238.01.

Tokyo

Share prices in the Tokyo continued to advance last week. The key market barometer Nikkei average closed Friday at 17,390.50 yen, for a weekly gain of 316.86 yen. It had a modest 63.01-yen gain the week before.

The composite index of all common stocks also posted a 20.16-point gain to 1,430.34 points, compared with a 1.13-point advance the previous week. The market was closed Saturday for a regular monthly business recess.

Turnover was moderate, with an average 469.3 million shares changing hands a day, compared with previous week's 420.9 million shares. Value also increased moderately to 434.43 billion yen a day from 403.884 billion yen.

Speculative buying was the main force behind the advance, but some institutional investors also returned to the market.

Zurich

The fire Nov. 1 at a warehouse belonging to the chemical company Sandoz AG, which caused a toxic waste spill into the Rhine River, weighed heavily on Zurich stock trading last week.

The Credit Suisse index dropped from 548.3 points the previous Friday to 543.7.

One market source noted that many chemical firms, banks, industrials and finance companies lost ground. He said the trend this week would depend on further developments in the spill. Sandoz is expected to hold a press conference later to the week.

Sandoz bearer shares were down 750 to 10,100, and Sandoz omnibus lost 370 to end the week at 4,800.

Union Bank of Switzerland gave up 50 to 5,870, while finance companies were also weaker, notably Electrowatt, which was down 40 to 3,350.

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EUROBONDS: Denmark Earning a Cynical Image

(Continued from first finance page) million of seven-year notes guaranteed by Connecticut General, a triple-A rated insurance company. Interest will be set at 1/4 point over Libor.

Robert Fleming issued \$100 million of perpetual notes paying 1/4 point over Libor, but this was really a private placement taken by institutions that have long-standing relations with the merchant bank.

In the Deutsche mark sector, Eurofima raised 300 million DM by offering ball-bear bonds with a redemption value tied to the performance of the Frankfurt stock exchange index. A speculator who guesses right can make a maximum

50-percent gain while the loser is assured of forfeiting no more than 50 percent.

Eurofima itself bears no exposure as the performance of the two bonds cancel out, leaving the issuer obliged to repay only 300 million DM.

For the first year, while the outcome of the speculation is unknown, interest will be set at 2 percent. At the end of 1987, the rise or fall of the index from the average established Friday, Monday and Tuesday will be used to establish the repayment value.

From then until final maturity in 1994, interest of 6% percent will be paid on the redemption value of the bonds.

Overall, bankers said the DM market was in a better mood than it had been for some weeks. The domestic market found a new footing with a 10-year government issue priced at par and bearing a coupon of 6 1/2 percent.

This was more than the market had expected and the issue was well received, establishing a benchmark that was expected to stabilize the market.

With the currency appreciating once again against the dollar, ending the week at 2 DM and fueling new speculation about a cut in the discount rate, bankers said they expected foreign and domestic investors to resume buying bonds.

MURJANI: Apparel Maker Seeks Instant Sensations

(Continued from first finance page) jani set out to upgrade the quality of the private label merchandise and to expand the types of products the company made. Soon Murjani was making everything from bicycles to spinning machines for textile mills, an overexpansion that slashed profits.

In the mid-1970s, Mr. Murjani spent several months in the United States seeking a garment that would turn the company's fortunes around.

Jeans, he decided, were "the single most important garment in the Western Hemisphere. But all the jeans makers had been producing jeans for women that were out of the same as jeans for men."

He directed his designers to develop a denim jean for a woman's figure. Gloria Vanderbilt did not design the resulting form-fitting jeans, but her name went on the pocket. When the line was offered in 1978, stores pre-ordered only 6,000 pairs.

But an optimistic Murjani produced 100,000 pairs and began a \$1-million advertising campaign on a Tuesday night. On Wednesday, Bloomingdale's New York store sold out.

The experience made Mr. Murjani a firm believer in the power of Madison Avenue. He returned there in 1984 with Tommy Hilfiger, a 35-year-old free-lance designer who had no track record but "a certain something" that Mr. Murjani liked.

In the past 18 months, Mr. Mur-

jani has spent \$20 million to promote the designs, \$3 million on advertising and the rest to establish Hilfiger stores.

Much of the money went into a provocative advertising campaign earlier this year. Throughout New York, billboards, buses and telephone booths featured a fill-in-the-blanks puzzle: "The 4 great American designers for men are: R—L—P—E—C—K—C—and T—H—"

Some members of the fashion world were infuriated by the presumptuousness of an unknown identifying himself with Ralph Lauren, Perry Ellis and Calvin Klein. Even Mr. Hilfiger called himself "a marketing vehicle."

The first Hilfiger store opened in New York in August 1985. Mr. Murjani said that the store sold \$1 million in the first 12 months, or more than \$2,000 per square foot (about one-tenth of a square meter), a number that Mr. Bernard calls "extremely high."

There are now 5 Hilfiger stores and 85 department stores that carry the label.

When Coke representatives approached Hilfiger in October 1985, they were interested in only a modest line of apparel.

But "the idea grew as we talked about it," said Richard Hosp, vice president of marketing for Murjani. "Mohan said to me, 'This is a very big idea.'"

Instead, Murjani opened 1,400 chrome and white-tile boutiques in department stores across the United States.

The first freestanding store was opened a year ago this weekend, next door to Tommy Hilfiger on Columbus Avenue in New York. Today there are five such stores nationwide, and another is scheduled to open in Stamford, Connecticut, within weeks.

The New York store, the flagship where new ideas will be tested, is a cross between a cafeteria and a video arcade. Passers-by can see the clothes through a wall of windows on a 25-foot (7.6-meter) video screen 24 hours a day, and on an electronic video machine outside.

Inside, three sides of the store are filled with floor-to-ceiling bins that hold 125 styles of Coca-Cola clothes. Video-touch terminals are situated at an entrance on the upper level. By touching the proper square on the screen, customers can view an item in any color, zoom in on a collar or pocket and get a rundown on prices, sizes, fabric and other vital statistics.

The next step is the cafeteria-like selling floor, where a stainless-steel unit dispenses trays with the Coca-Cola logo. Shoppers slide the tray around the counter, place their orders, collect them on the tray and walk on through the line.

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Business Week.

COMPARISON CHART table comparing Business Week, Forbes, and Fortune across various metrics like circulation, readers, and audience coverage.



BusinessWeek logo and contact information for Frankfurt, Paris, London, Milan, and Tokyo offices.



NASDAQ National Market

OTC Consolidated trading for week ended Friday

Table of NASDAQ National Market data, including OTC Consolidated trading for week ended Friday. Columns include stock symbols, prices, and volume.

Table of international stock market data, including various international indices and stock prices.

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EUROPEAN COMMUNITY

EC Commission Seeks to Slash Farm Surpluses

By Peter Maass
International Herald Tribune
BRUSSELS — The European Community's executive body and parliament proposed radical steps last week for slashing the community's farm surpluses, signaling an intensified effort to reform the Common Agricultural Policy.

and the productive capacity of the audiovisual industry."
Mr. Ripa di Meana asserted that organized crime networks had distributed many of the pirated videotapes, and he called for heightened cooperation between customs authorities in EC countries.

A Crackdown Is Sought On Pirated Videotapes

The EC needs a "fresh impulse" in its crackdown on sales of pirated videotapes, the commissioner for culture and communication says.

Panel Sees 1,000 Deaths From Chernobyl in EC

In a report to the European Parliament, the Industry Commission said that the Chernobyl nuclear disaster would cause about 1,000 people in EC countries to die from cancer over the next 70 years.

Mr. Narjes said that a similar nuclear accident in the community would be highly unlikely, mainly because the EC's reactors are judged to be safer than those at the Soviet plant.

First EC Tennis Trophy Goes to an American

Nearly 30 years after its founding, the EC is learning to mix business and pleasure.

The first "European Community Championship" tennis tournament was held last week in Antwerp.

The tournament, formally called the European Championship, changed its name this year after receiving the commission's patronage.

The winner of the EC championship was an American, John McEnroe, and the runner-up was Miloslav Mecir of Czechoslovakia.

But the EC did score a type of moral victory. The prize money was denominated in European currency units.

American Exchange Options

Table of American Exchange Options data, including various stock options and their prices.

Chicago Exchange Options

Table of Chicago Exchange Options data, including various stock options and their prices.

Treasury Bonds

Table of Treasury Bonds data, including various bond yields and prices.

Filipino Set Debt Deadline

MANILA — The Philippines will declare a unilateral moratorium on debt payments if an advisory committee for its creditor banks fails to agree on a loan restructuring package by Jan. 1, Finance Minister Jaime Ongpin said Saturday.

Certain offerings of securities, financial services or investment advice published in this newspaper are not authorized in certain jurisdictions.

Table of international stock market data, including various international indices and stock prices.



SPORTS

Kookaburra III Edged By Australia IV After 2d Cup Collision in 2 Days

By Ruth Youngblood United Press International

FREMANTLE, Australia — Kookaburra III, which is leading in the yacht-racing series that will select a yacht to defend the America's Cup, and place Australia IV on course Sunday.

Despite the misty air on the second windward leg, which knocked Kookaburra III's delicate weather sensors into the sea, snatched her backstay and bent the top of her mast, the race continued with Australia IV the winner by two seconds, the third-closest margin in 135 years of cup racing.

It was the second time in two days that competing yachts had swerved into each other. Steak's Kidney sliced into South Australia's port side Saturday, causing considerable damage to both boats.

Kookaburra III skipper Ian Murray said that "if we get a statement of responsibility and reimbursement for costs involved, we'll call it a day." He estimated the damage at "thousands of dollars," adding that "the sophisticated electronic sensors fell into the water and our shipboard computer may be short-circuited. It brings you back to sailing off the seat of your pants."

Referring to the green flag with a yellow kangaroo flown by Australia IV, Murray said, "The boxing kangaroo got hold of the backstay and tugged pretty hard on it." The narrow victory put the Australia IV camp in a jubilant mood, since the boat it is coming on to win the right to defend the cup, which Alan Bond won from the United States in 1983, evened the score with Kookaburra III at two triumphs each.

Australia IV skipper Colin Beashel said, "We went out to win and came back winners." Murray got Kookaburra III off to a four-second lead at the start, but could increase it to only 10 seconds on the first leg. On the second leg, the two boats as far apart as they were to get during the race.

Beashel regained five seconds on the first reach and trimmed Murray's advantage to eight seconds on the next. When Murray tacked to starboard on the sixth leg, it enabled Beashel to slip inside and sail 21 seconds ahead.

The Kookaburra III skipper regained nine seconds on the seventh stretch, then began a fierce tacking duel on the way home. Beashel executed one last tack within feet of the finish line to hold off Murray and win the race.

Kookaburra III (15-2) maintained her hold on first place with 21 points, but Australia IV (13-4) now has 18 points in the second round of racing to determine the defending boat.

Sunday's results were provisional until the international jury overseeing the contest decided which boat was at fault in the collision.

Earlier, White Crusader of Great Britain had defeated Canada II by 0:02.20, for the smallest winning margin in cup history. Two special victories were recorded in 1934 and 1964, and there was another two-second victory in this series when Kookaburra III beat Kookaburra II.

In another race sailed in 12-knot southwesterlies blowing across choppy seas, the battered South Australia lost by 1:42 to Australia III, the 12-meter world champion that also belongs to Bond. Eastern Australia's Steak's Kidney, with a hurriedly fitted new bow, fared even worse, receiving a 2:54 thrashing from Kookaburra II.

South Australia's crew had worked through the night to patch up the damage caused Saturday by Steak's Kidney's sharp bow. Phil Thompson, who had been thrown overboard by the impact and sailed over by Steak's Kidney, was back at the helm of South Australia.

South Australia had rounded the first windward mark on Saturday holding a 1:40 lead, with Steak's Kidney headed to the buoy, when the collision occurred.

"I ended up in the water and went under their boat," said Thompson, who was rescued by a tender after suffering minor cuts and abrasions.

He said that what Steak's Kidney "did was extremely dangerous. They limped us, that's the yachting term. It was a totally unfair fouling, not within the rules."

Beashel noted that South Australia had violated a basic right-of-way rule that says that when two boats are on starboard tacks, the boat on the windward side must give way to the other. The race jury scheduled a meeting to determine blame.



Kookaburra III, leading Kookaburra II at the weather mark, won by four seconds Saturday.

Steak's Kidney's bow was sliced open on the starboard side, but she limped around all eight legs of the 24.5-mile (39.5-kilometer) course to record, tentatively, her first victory in 16 races.

South Australia suffered a 24-inch (60-centimeter) tear along her hull, with the gash extending 18 inches into the decking. The yacht's operations manager, Scott McAllister, said that the spinnaker and mainsail had been destroyed and much of the rigging damaged.

"It won't just be a late night, it will be all night," McAllister said of the repair job faced by his team.

In the other races Saturday, Kookaburra III beat golden-hulled stables Kookaburra II by four seconds and Australia IV turned in a predictable 70-second victory over defending champion Australia III.

Murray trailed the eight-month-old Kookaburra II for six legs after Peter Gilmore sailed his boat to a five-second lead at the start and increased that to 45 seconds rounding the first buoy.

Murray had halved the margin by the next beat and Gilmore's advantage had dwindled from 17 seconds on the reach to 12 seconds on the sixth leg before Murray caught up. The two yachts were within a boat length of each other for the entire last leg.

Australia IV led Australia III all the way, but not by much. Australia III skipper Gordon Lencas trailed by only 52 seconds before Beashel surged another 15 seconds ahead on the second reach.

According to Miami's coach, Jimmy Johnson, the Sunbelt Fiesta Bowl in Tempe, Arizona, is planning to shift its game from New Year's Day to Jan. 2 if it can match the Hurricanes and Nittany Lions. Miami is expected to accept this move.

The Sunbelt Fiesta and the Florida Citrus bowls are believed to have the inside track to what could be a national title game, although representatives of the Orange, Cotton and Gator Bowls attended the Miami and Penn State games Saturday.

Bowl bids go out next Saturday, when Penn State finishes its season against Pittsburgh. Miami plays its last game on Thanksgiving night against East Carolina. Miami's athletic director, Sam Jankovich, said the Hurricanes could decide by Sunday where they will be going.

"The feeling right now is that we are going to the Fiesta Bowl to play in prime time on Jan. 2, after all the other bowls are over," Johnson said. "I understand that the matchup will be against Penn State. The development with the game at prime time just occurred within the last few days."

In Saturday's game in Miami, Tulsa closed to 10-3 on David Preece's 29-yard field goal with five minutes left in the period. But the Hurricanes pulled away again on quarterback Vinny Testaverde's 53-yard touchdown pass to Brian Blades and a 4-yarder to tight end Eric Roberts.

In South Beach, Indiana, quarterback John Shaffer passed 37 yards to Ray Robinson for a touchdown late in the third quarter to put Penn State ahead, then sneaked a yard for the deciding touchdown as the Nittany Lions stretched their regular-season winning streak to 20.

Michigan Upset; Miami, Penn St. Rally

United Press International NEW YORK — Second-ranked Michigan was beaten Saturday when Minnesota kicked a 30-yard field goal as time ran out. But the U.S. COLLEGE FOOTBALL

20-17 upset did improve the chance of a bowl showdown in January between the top two teams, because No. 1 Miami and No. 3 Penn State each won a close game.

Miami's 23-10 victory over Tulsa and Penn State's 24-19 triumph at Notre Dame made the winners 10-0 and kept them the only unbeaten and untied Division I-A teams.

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Michigan, heavily favored, turned the ball over five times, three of which led to Minnesota's first 17 points.

Michigan pulled into a tie at 17 on Gerald White's one-yard drive and Mike Gillette's extra point with 2:26 left. But quarterback Ricky Foggie led Minnesota back down the field, running 31 yards to set up Lohmiller's field goal.

Oklahoma 28, Colorado 0: Oklahoma recorded two touchdowns and No. 4 Oklahoma finished its fourth shutout in five games as it improved to 8-1 overall and 6-0 in the Big Eight, setting up a conference title game next Saturday against Nebraska, with the winner going to the Orange Bowl.

Arkansas 14, Texas A&M 10: In Little Rock, Arkansas, the No. 16 Razorbacks kept the No. 7 Aggies from clinching the Southwest Conference title when quarterback Greg Thomas ran 10 yards for a

French Storm Back, Rout All Blacks

By Bob Donahue International Herald Tribune

NANTES, France — The French pulled off one of international rugby's most dramatic comebacks by whipping New Zealand Saturday after having been battered by the same All Blacks a week before.

After the first test, in Toulouse, the French admitted they were lucky to have lost by only twelve points, 19-7. In the second test, before a crowd of 40,000 at the soccer stadium in Nantes, New Zealand was lucky to lose by only 13 points, 16-3, as French kickers muffed eight goal attempts.

The same, it was France's biggest victory margin ever against New Zealand.

Center Denis Charvet and lock Alain Lorieux scored tries, and right wing Philippe Bérat kicked a conversion and two penalty goals. For New Zealand, fullback Kieran Crowley kicked a penalty goal.

French coach Jacques Fouroux was harshly criticized in the press after his forwards were submerged by the merciless New Zealand thrust in Toulouse. He refused to change his power tactics, instead preaching "self-respect" to his pack.

The result was patent from the start. Before Saturday's opening whistle, while the All Blacks were dancing and chanting the traditional Maori Haka ("Are you ready to fight...?"), the French glared at the visitors instead of turning their backs and pretending not to notice, as New Zealand's adversaries usually do. Flanker Eric Champ stood ostentatiously to the fore.

Fullback Serge Blanco then kicked off, and the French piled into the bunched New Zealand forwards, sending them over to a man. Champ emerged from the heap with the recovered ball in his arms, the referee awarded the punt-in to France and the French shoved New Zealand backward at the first scrum — drawing New Zealand's backs offside and earning Bérat his first penalty shot, which he missed.

That rampaging start knocked the All Blacks back on their heels, and the French never relented. Such were French discipline and territorial pressure that Crowley had only two penalty goal chances in the whole game.

Cive Rowlands, who will manage Wales at rugby's first World Cup next May and June, was asked how he explained the transformation in the French from one Saturday to the next. "Tell them readers about pride," Rowland said. "Tell them about heart. And you can say to them, after all the talk about superiority of the Southern Hemisphere, that this Welshman is proud of the North."

Fouroux, his tongue in his cheek, cracked that the French had played in Nantes like All Blacks and the All Blacks like Frenchmen.

Key French changes paid off. New prop Pascal Ondarts, flyhalf Franck Mesnel and center Charvet did little wrong, while Laurent Rodriguez, playing at No. 8 for the first time in five seasons, had a storming game. Lorieux, at lock, had the match of his life.

If all kicks had succeeded in the first half, France would have led, 21-6. The real halftime score was only 3-3. Daniel Dubroca, the French captain, could well have been worried, but he wasn't. "We knew we were on top and the scores would come."

Scrummage pressure was rewarded with a pick-up try for Charvet in the 18th minute of the second half. Bérat's second penalty put the match on ice in the 31st minute. Defiant to the end, Dubroca ordered a tapped penalty five meters from New Zealand's line in the 40th minute, and Lorieux lunged in for the first try of his international career.

Brian Lochore, the New Zealand coach, had been saying all week that defeat in the second test would be no disaster. His young squad — six members of the test team have played their first international matches in the last five months — winds up its French tour with seven victories in eight matches.

One disappointment was New Zealand's lack of fluid and penetrating back play in the tests. That put a heavy load on the forwards, who finished bedraggled after stalwarts Gary Whetton and Wayne Shelford limped off Saturday to the middle of the second half.

To judge from exuberant parties at their hotel Saturday night and Sunday morning, the All Blacks are still looking ahead to the World Cup in good spirits.

U.S. COLLEGE FOOTBALL

20-17 upset did improve the chance of a bowl showdown in January between the top two teams, because No. 1 Miami and No. 3 Penn State each won a close game.

Miami's 23-10 victory over Tulsa and Penn State's 24-19 triumph at Notre Dame made the winners 10-0 and kept them the only unbeaten and untied Division I-A teams.

According to Miami's coach, Jimmy Johnson, the Sunbelt Fiesta Bowl in Tempe, Arizona, is planning to shift its game from New Year's Day to Jan. 2 if it can match the Hurricanes and Nittany Lions. Miami is expected to accept this move.

The Sunbelt Fiesta and the Florida Citrus bowls are believed to have the inside track to what could be a national title game, although representatives of the Orange, Cotton and Gator Bowls attended the Miami and Penn State games Saturday.

Bowl bids go out next Saturday, when Penn State finishes its season against Pittsburgh. Miami plays its last game on Thanksgiving night against East Carolina. Miami's athletic director, Sam Jankovich, said the Hurricanes could decide by Sunday where they will be going.

"The feeling right now is that we are going to the Fiesta Bowl to play in prime time on Jan. 2, after all the other bowls are over," Johnson said. "I understand that the matchup will be against Penn State. The development with the game at prime time just occurred within the last few days."

In Saturday's game in Miami, Tulsa closed to 10-3 on David Preece's 29-yard field goal with five minutes left in the period. But the Hurricanes pulled away again on quarterback Vinny Testaverde's 53-yard touchdown pass to Brian Blades and a 4-yarder to tight end Eric Roberts.

In South Beach, Indiana, quarterback John Shaffer passed 37 yards to Ray Robinson for a touchdown late in the third quarter to put Penn State ahead, then sneaked a yard for the deciding touchdown as the Nittany Lions stretched their regular-season winning streak to 20.

Michigan, heavily favored, turned the ball over five times, three of which led to Minnesota's first 17 points.

Michigan pulled into a tie at 17 on Gerald White's one-yard drive and Mike Gillette's extra point with 2:26 left. But quarterback Ricky Foggie led Minnesota back down the field, running 31 yards to set up Lohmiller's field goal.

Oklahoma 28, Colorado 0: Oklahoma recorded two touchdowns and No. 4 Oklahoma finished its fourth shutout in five games as it improved to 8-1 overall and 6-0 in the Big Eight, setting up a conference title game next Saturday against Nebraska, with the winner going to the Orange Bowl.

Arkansas 14, Texas A&M 10: In Little Rock, Arkansas, the No. 16 Razorbacks kept the No. 7 Aggies from clinching the Southwest Conference title when quarterback Greg Thomas ran 10 yards for a

touchdown late in the third period. The drive started after A&M quarterback Kevin Murray was intercepted for the first time in his last 159 passes. The Razorbacks can win the SWC and a Cotton Bowl bid if they defeat Southern Methodist next week and Texas A&M loses to Texas Christian or Texas in the next two weeks. Texas can win the SWC if it takes its last two games and Arkansas loses to SMU.

Georgia 20, Auburn 16: In Auburn, Alabama, reserve Wayne Johnson passed for one touchdown and ran for another as Georgia's upset, coupled with LSU's victory, ended No. 8 Auburn's hopes for a Sugar Bowl berth.

Louisiana St. 47, Mississippi St. 6: In Jackson, Mississippi, freshman Tom Hodson threw for 231 yards and two touchdowns, the defense intercepted three passes and No. 11 LSU improved to 7-2 overall, 5-1 in the Southeastern Conference.

The Tigers clinched at least a tie for the SEC title and will win it outright if Auburn beats Alabama on Nov. 29. If Alabama wins, the Crimson Tide will finish 5-1 in the SEC and conference representatives will vote on whether to send LSU or Alabama to the Sugar Bowl. LSU, which beat Alabama by 14-10 last week, has not finished first in the SEC since 1970.

Washington 17, UCLA 17: In Seattle, Jeff Jaeger kicked a 27-yard field goal as time expired to give No. 10 Washington its tie in a Pacific-10 game between bowl hopefuls. David Franey, who missed from 45 yards earlier in the quarter, had kicked a 42-yard field goal with 1:29 left to give the Bruins a 17-14 lead.

Marino completed a career-high 39 passes in picking apart the Bills' zone defense with mostly short receptions. The Bills let a 21-7 second-quarter lead slip away, with a late hit penalty and running back Robb Riddick's fumble leading to 10 points for Miami.

Saints 16, Cardinals 7: In St. Louis, Dave Wilson passed to Mike Jones for a 10-yard touchdown and Morten Andersen kicked field goals of 47, 28 and 30 yards as New Orleans won its third straight and fifth in six games, gaining a 6-5 record for only the third time in 20 seasons.

Steelers 21, Oilers 10: In Pittsburgh, an interception and a pass interference penalty were turned into first-half touchdowns runs by Walter Abernethy and Earnest Jackson before the Steelers' defense stopped mistake-prone Houston on a goal-line stand in the fourth period.

The Oilers had two touchdowns and a field goal nullified by penalties during a scoreless second half, even before they failed to score on four straight plays from the Steelers' one early in the last quarter.

Packers 31, Buccaneers 7: In Milwaukee, Randy Wright threw three touchdown passes of 53, 12 and 5 yards in the first half and the Green Bay defense got a season-high six sacks against Tampa Bay in helping end a three-game losing streak.

Lions 13, Eagles 11: In Philadelphia, Eddie Murray kicked a 41-yard field goal for Detroit with 12 seconds to play after the Eagles' quarterback, Randall Cunningham, dropped the ball with 1:44 left and linebacker Mike Cofer recovered it at the Philadelphia 37.

The Lions, with only 16 sacks in their previous 10 games, got a club-high 11. Their offense produced only 40 yards rushing and 146 passing in the second half. He completed an 85-yard pass to Emery Moorehead on the second play of

SCOREBOARD

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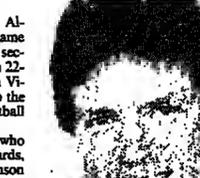
The Masters in the Americas Open

Table of Golf results for The Masters and other tournaments.

Giants Beat Vikes on Last Play

The Associated Press MINNEAPOLIS — Raul Allegre's fifth field goal of the game Sunday, a 33-yarder with 12 seconds to play, gave New York a 22-20 victory over the Minnesota Vikings and kept the Giants atop the NFC East in the National Football League.

Quarterback Phil Simms, who was 23-of-38 passing for 309 yards, threw 21 yards to Bobby Johnson



Tommy Kramer

The Giants got only 49 yards rushing from Joe Morris, who entered the game as the NFL's second-leading rusher after four straight 100-yard games. He did go over the 1,000-yard mark for the second straight season.

Minnesota had taken a 20-19 lead with 6:53 left when Wade Wilson replaced quarterback Tommy Kramer and hit Anthony Carter with a 33-yard touchdown pass. Kramer was 16-of-25 for 187 yards and one touchdown before jamming the thumb on his throwing hand.

Bears 13, Falcons 10: In Atlanta, Mike Tomczak atoned for a dismal first half with two long passes in the third quarter and the defense held Atlanta without a first down for the first 23 minutes of that half as Chicago rallied from a 10-0 deficit.

Tomczak was just one-of-eight for six yards before intermission as the Bears, who won for the ninth time in 11 games, were held without a first down for the game's first 34 minutes and one of Tomczak's two interceptions was returned 14 yards for a touchdown by Joel Williams.

But Tomczak was 8-of-14 for 197 yards in the second half. He completed an 85-yard pass to Emery Moorehead on the second play of

the half, then snuck over from the one-yard line to tie the score. On the next series, Tomczak threw 27 yards to Willie Gault to set up a 44-yard field goal by Kevin Butler that gave the Bears the lead for good.

In that half the Bears' Mike Richardson picked off two deep passes by Turk Schonert, who had replaced David Archer when Archer separated a shoulder to the second quarter. Dave Duerson intercepted another pass to end the Falcons' final drive.

Bengals 34, Seahawks 7: In Cincinnati, quarterback Boomer Bruman's third-quarter touchdown pass put his team ahead and defensive end Eddie Edwards recovered a fumble by quarterback Dave Krieg in the end zone to ensure Seattle's fourth straight loss.

The Seahawks missed on three field goal attempts, made five turnovers — two resulting in Cincinnati touchdowns — and were called for pass interference in the end zone to set up Edison's one-yard touchdown pass to tight end Eric Karms. Edison was 22-of-33 for 324.

Dolphins 34, Bills 24: In Orchard Park, New York, Dan Marino passed for four touchdowns and

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# Murder Most Profitable

By Richard M. Levine

BY 8 A.M., two hours before final arguments were to begin in Robert O. Marshall's murder trial, the Mays Landing, New Jersey, courtroom had been filled. Marshall, an insurance broker and the father of three sons, was accused of hiring a hit man to kill his wife so that he could collect \$1.5 million in life insurance and continue an extramarital affair with the vice principal of a local high school.

The event had another increasingly common drawing card—the presence of an author to recount it. In the front row of the courtroom sat Joe McGinniss, whose 1983 best seller "Fatal Vision" also chronicled a murder.

Although Marshall and the accused hit man, Larry N. Thompson, were on trial for their lives, it was, in important ways, McGinniss's courtroom. From the moment he entered the building, a stream of spectators approached McGinniss to ask for his autograph, compliment him on his book, even invite him to dinner.

He chatted with Chris Marshall, Robert Marshall's 19-year-old son. McGinniss had come to like Chris, a blond, athletic-looking Lehigh University sophomore, and he needed to cultivate him as a source. But he was also wary of becoming too close to him. In the course of his research for "Fatal Vision," McGinniss and his subject, Jeffrey MacDonald, a former Green Beret doctor, had become friends, even sharing a house during the trial. After McGinniss had reluctantly convinced himself that MacDonald was guilty of the murder of his wife and two young daughters, their relationship complicated the writing of the book, with personal and legal consequences that were still unfolding.

The prosecutor pulled out all the rhetorical stops, branding Marshall a "place in hell" for murdering his wife. At that point, faint sobbing could be heard in the courtroom. Faces turned to see young Chris Marshall holding his head in his hands. McGinniss knew that Chris had been tormented by doubts about his father's plea of innocence. It was a long time before Chris raised his head, but even then he could not bring himself to look at his father, who was holding up a crumpled "I love you" sign to draw his son's attention. Finally, Chris turned to face his father, smiling wanly and held out his hands, palms up.



True crime authors Truman Capote, Jean Harris.

It was the kind of moment—replete with domestic tragedy, character revelation and courtroom drama—that makes publishers, writers and readers seek out stories about real-life murder in growing numbers. In the last few years, "murder has mushroomed dramatically," says Russell Galen, a literary agent with the Scott Meredith Agency.

Since Truman Capote published "In Cold Blood" in 1965, there has been a stream of best-selling non-fiction books about murder. In addition to Capote's book, which has sold more than five million hardcover and paperback copies in the United States, some of the biggest successes are "The Boston Strangler" (2.3 million), "Helter Skelter" (6.7 million), "The Executioner's Song" (1.1 million) and, more recently, "Fatal Vision" (3 million). All have been made into films or television miniseries.

"These days, more murder books are being written for larger advances, by better-known authors than ever before," said Douglas Stumpf, a senior editor at William Morrow.

So popular has the genre become that last year, when two books were published about the same crime, the murder of the Mormon millionaire Franklin Bradshaw, planned by Bradshaw's socialite daughter and carried out by her son, speculation in the publishing industry assumed that each would neutralize the other's sales. But both Stans Alexander's "Nut-

cracker" and Jonathan Coleman's "Af Mother's Request" went on to become hardbound as well as paperback best sellers and, perhaps even more surprisingly, both are now being made into separate network miniseries.

Recently, two other murder books became best sellers: Sidney Kirkpatrick's "A Cast of Killers," about the director King Vidor's solution of an old Hollywood murder mystery, and "Stranger in Two Worlds" by Jean Harris, a now three-volume tale of her killing of Herman Tarnower, the "Scarsdale Diet" doctor. Harris's book is also currently the object of a bidding war over film rights.

The popularity of murder books is in part due to two literary conventions: strong characters and dramatic structure. With so much "postmodern" fiction eschewing the plot-centered pleasures of the traditional novel in favor of more self-absorbed concerns, real-life murder books have stepped in to fill a void.

Paradoxically, the best murder literature is much more concerned with how people live than with the way some of them die. Murder becomes a means of access into private lives that are usually cut off from outside scrutiny.

A quarrel between a mother and daughter that normally might be considered too petty to write about becomes much more significant once we know that, a thousand such quarrels later, it will end in murder.

Because murder books are a hybrid literary form, the stuff of reportage in the shape of fiction, they have aroused some suspicion about accuracy and ethics. Capote didn't help matters by repeatedly boasting that he never took notes or used a tape recorder for "In Cold Blood." Yet according to his biographer, Gerald Clarke, all the reporters who flocked to Hockomock, Kansas, to check his research found only two minor mistakes.

On the broader level of interpretation, however, the question of accuracy becomes more complicated. Here the writer's degree of empathy for his subject comes into play. Was Perry Smith, emotionally deprived and physically stunted from childhood, the sensitive poet *maudite* so easy for Capote to identify with, or was he the unremorseful psychopath that his actions and trial testimony would suggest?

More recently, in the markedly different versions of the killing of Tarnower, was Alexander's sympathetic portrayal of Jean Harris as a "passionate, headstrong and too-truthful woman," in her 1983 account "Very Much a Lady," more or less accurate than the rather unflattering depiction in "Mrs. Harris" by Diana Trilling.

In fact, the answer may be both more and less, because a long involvement between author and subject, like any other kind of intimacy, can doubtless produce blind spots as well as insight.

Researching murder books often requires a debilitating, even dangerous, descent into a criminal, or psychopathic, underworld. Many writers report paying an emotional price for their efforts—ranging from nightmares to divorce.

After deliberating for a day, the jury in Robert Marshall's murder trial returned a guilty verdict and sentenced him to death. He is now in Trenton State Prison working on his appeal and has corresponded with his new pen pal, MacDonald, who is serving three consecutive life sentences in an Arizona prison.

After finishing his research in Toms River, New Jersey, where Marshall had been president of the Ocean County Businessmen's Association, McGinniss headed home to begin writing his book. This time, he is less interested in exploring the killer's mind than in portraying the town and its reaction to the plight of one of its leading citizens. He sees his new book "more as a social comedy than a Greek tragedy, as if Elmore Leonard had written 'Playa Place.'" At his agent's request, McGinniss has already completed a film treatment.

Richard M. Levine is the author of "Bad Blood: A Family Murder in Marin County" (Random House). This is excerpted from an article he wrote for The New York Times Magazine.

## Skirting the Question

By William Safire

WASHINGTON — "Why are today's women so unhappy in their relationships with men?" writes Cary McMillen to the editor of The New York Times. "The experts you cite mostly beg the question by saying that women should not feel this way..."

Does that really beg the question? What does that phrase mean? Professor James Van Cleave of Brown University's philosophy department caught me out on this recently. I wrote that the habit of skipping the meridian (they go from 11:59 A.M. to 12:01 P.M. in a split second) "begs the question of what to designate the most transit of the meridian." "On the contrary," writes the professor, "since the railroads assume nothing one way or the other on this question, they do not beg it."

Philosophers at Brown know that Aristotelian logic frowns on *petitio principii*, translated as "begging for seeking" the question (or the beginning)—the fallacy of assuming what you are supposed to be proving. "I have noticed a trend among journalists," says Van Cleave on soliloquy, "to use this phrase as though it meant *invites the question, leaves unanswered the question, cries out for an answer to the question or some such.*"

Common usage is wearing down *beg the question*, but common usage is not good usage when it loses a useful distinction.

Aristotle explained the idea of *petitio principii*, as it became known in Latin, as "trying to show through itself something that is not knowable through itself." That is one of those definitions that does not get across argument. A better one is "a phony argument in which the proof is in the premises." Such a "proof" proves nothing, because it rests on an assumption that has not been proven.

We need examples. Consider the two kinds of question-begging, circular and linear. In circular reasoning, think of revolving door: you come out where you went in. "Smoking is bad for you because doctors say so, and doctors say so because smoking is bad for you." That's dizzying; to avoid begging the question, you would have to change the last part to "and doctors say so because sci-

entific studies show this, that and the other thing."

Now take straight-line question-begging: "What you're reading can't be true, because they never print the truth in the newspapers." The conclusion (what you're reading cannot be true) is based on an unproven, if increasingly popular, premise (that they never print the truth in the newspapers). Even if you were a world-class media-basher, you would have to grant that the premise is in doubt. That goes for any argument resting on faith: "What you read in the Bible is true, because the Bible is the word of God." You may believe that; it may be true, but it is begging the question.

In this peculiar phrase, the verb *beg*, perhaps rooted in the key medieval order of Beghards, is not used to mean "asking for a head-on" or "it is a gentle or formalistic entreaty, as in 'I beg to differ.'" In the specific use of question-begging, the verb has the sense of "call up" or "call for"; when you call for the question, you pretend to give an answer, but you merely repeat the question.

GIRED for grammatical battle with all this information, we can now address McGinniss's plaint about why today's women are so unhappy in their relationships with men. "The experts you cite mostly beg the question by saying that women should not feel this way."

No, if we said, "Women are so unhappy in their relationships with men because men are inherently cads," that would be begging the question, setting forth an unproven statement as proof; so would the circular "Today's women are so unhappy in their relationships with men because their relationships with men make today's women unhappy." But when experts answer, "Women should not feel this way," they are evading, ducking or obfuscating the question—not begging it.

Indeed, such experts are skirting the issue. But wait: As more female executives rise in corporate America, is the verb *skirt* sexist? Skirting the issue is no more sexist than losing your shirt, something that both men and women on Wall Street do every day.

New York Times Service

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2 rooms (4 persons) £4000  
3 rooms (5 persons) £4500  
4 rooms (6 persons) £5000  
5 rooms (7 persons) £5500  
6 rooms (8 persons) £6000  
7 rooms (9 persons) £6500  
8 rooms (10 persons) £7000  
9 rooms (11 persons) £7500  
10 rooms (12 persons) £8000  
11 rooms (13 persons) £8500  
12 rooms (14 persons) £9000  
13 rooms (15 persons) £9500  
14 rooms (16 persons) £10000  
15 rooms (17 persons) £10500  
16 rooms (18 persons) £11000  
17 rooms (19 persons) £11500  
18 rooms (20 persons) £12000  
19 rooms (21 persons) £12500  
20 rooms (22 persons) £13000  
21 rooms (23 persons) £13500  
22 rooms (24 persons) £14000  
23 rooms (25 persons) £14500  
24 rooms (26 persons) £15000  
25 rooms (27 persons) £15500  
26 rooms (28 persons) £16000  
27 rooms (29 persons) £16500  
28 rooms (30 persons) £17000  
29 rooms (31 persons) £17500  
30 rooms (32 persons) £18000  
31 rooms (33 persons) £18500  
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33 rooms (35 persons) £19500  
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35 rooms (37 persons) £20500  
36 rooms (38 persons) £21000  
37 rooms (39 persons) £21500  
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